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SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner

Douglas F. Wong, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

AGENDA

REGULAR MEETING
3:00 P.M., TUESDAY, MARCH 9, 2004
PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

DOCUMENTS DEPT.
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1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - February 24, 2004 Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   - 2003 Combined Charities Campaign
   - CA Preservation Foundation Award for the Ferry Building Rehabilitation Project
   - Close of Escrow and Start of Construction for the initial phase of the Bryant Street Project on a portion of Seawall 330

4. **REAL ESTATE**

   A. Request for approval of Second Amendment to and Restatement of Lease No. L-12175 with Hornblower Yachts, Inc. for Real Property and Exclusive Berthing Rights at Pier 3.

   Request for approval of Second Amendment to and Restatement of Lease No. L-10421 with Ferryboat Santa Rosa Partners, Ltd. for Real Property and Exclusive Berthing Rights at Pier 3.

   Approval of an Amendment to and Restatement of Lease No. L-12501 with Hornblower Yachts, Inc. for Real Property and Exclusive Berthing Rights at Piers 31-½ and 33 (Resolution 04-16).

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5. PLANNING AND DEVELOPMENT

A. Informational presentation from Port Sign Committee: Proposed variance from Ballpark Sign Guidelines to allow blinking or intermittently lighted sign at SBC Park, Lefty O'Doul gate.

B. Informational Presentation: Status Report on Southern Waterfront Planning.

C. Informational Presentation: Bayview Hunter's Point Center for Arts and Technology (BAYCAT) Youth Video: Hunter's Point Heroes.

6. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

7. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Marine Terminals Corporation (MTC): Ken Passe

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 80.

b. Property: Pier 35
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Metropolitan Stevedore Company: Jim Callahan

Under Negotiation: ___ Price ___Terms of Payment X Both

An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 35.

c. Property: Seawall Lot 355
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Pacific Cement: Ricardo Ramirez

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Seawall Lot 355.

d. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

8. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

9. ADJOURNMENT

MARCH 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
March 9	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
March 23	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 1st Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

March 3, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Second Amendment to and Restatement of Lease No. L-12175 with Hornblower Yachts, Inc. for Real Property and Exclusive Berthing Rights at Pier 3;

Approval of Second Amendment to and Restatement of Lease No. L-10421 with Ferryboat Santa Rosa Partners, Ltd. for Real Property and Exclusive Berthing Rights at Pier 3;

Approval of an Amendment to and Restatement of Lease No. L-12501 with Hornblower Yachts, Inc. For Real Property and Exclusive Berthing Rights at Piers 31 ½ and 33.

DIRECTOR'S RECOMMENDATIONS: APPROVE SECOND AMENDMENT TO AND RESTATEMENT OF LEASE NO. L-12175; APPROVE AMENDMENT TO AND RESTATEMENT OF LEASE NO. L-12501; APPROVE SECOND AMENDMENT TO AND RESTATEMENT OF LEASE NO. L-10421.

Background Lease No. L-12175:

On November 1, 1997, the Port and Hornblower Yachts, Inc. entered into Lease No. L-12175 for 71,669 square feet of open pier space and 11,044 square feet of shed space along with exclusive berthing rights to 100,151 square feet of water area adjacent to Pier 3 for a term of 15 years (approved by Port Commission Resolution 97-96) (hereinafter the "Hornblower Pier 3 Lease").

In December, 2001, the Hornblower Pier 3 Lease was amended by an Amended and Restated Lease No. L-12175. This first amendment to the Hornblower Pier 3 Lease reduced the open pier space portion of the premises to 69,140 square feet, eliminated the shed portion of the

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premises, reduced the area of exclusive berthing rights to 98,982 square feet and provided for an access easement through the Pier 3 Bulkhead from the Embarcadero to Hornblower's Pier 3 premises.

The term of the Hornblower Pier 3 Lease was extended through December 31, 2030 and Hornblower assumed all repair obligations including those for substructure repairs. Hornblower's cost of design construction and installation of the substructure repairs are to be reimbursed through rent credits against 50% of Hornblower's Pier 3 percentage rent obligations. Hornblower was also granted an option to lease a 1,400 square foot office in the Pier 3, North Bulkhead building for use as a ticket office and visitors center. Additionally, Hornblower agreed to provide parking for 25 Port vehicles formerly parked at Pier 1 at a rate equal to 34% of Hornblower's market rate, net of City taxes.

The amended Hornblower Pier 3 Lease was further clarified by a Letter Agreement dated February 28, 2002 which corrected certain typographical errors, established the Port's parking fee formulation procedure and adjusted certain performance dates regarding substructure repairs.

In March 2003, the Port Commission approved a Lease Disposition and Development Agreement ("LDDA") and Lease ("Piers Project Lease") with San Francisco Waterfront Partners ("SFWP") for the historic renovation and redevelopment of the Piers 1½, 3 and 5 bulkhead buildings.

As a condition to SFWP's obligation to lease and rehabilitate the Piers 1½, 3 and 5 bulkhead buildings, the LDDA requires the Port to make certain modifications to the Hornblower Pier 3 Lease. These modifications include:

1. The reservation of 25 Parking Spaces for the exclusive use by SFWP.
2. The restriction on development of approximately 20,575 square feet of the Pier 3 surface area.
3. The relocation of Hornblower's ticket office/visitor center from the Pier 3 North Bulkhead to the Pier 3 Bulkhead.
4. The adjustment of Hornblower's lease lines including the reduction of a portion of Hornblower's exclusive berthing area to accommodate SFWP's public accesses improvements.
5. The granting of an access right in favor of SFWP across a portion of Pier 3 for construction staging and laydown.
6. Limitations on Hornblower's use of its rights to ingress and egress through the Pier 3 Bulkhead.
7. The sharing of SFWP's maintenance costs attributable to the access way through Pier 3.
8. The temporary placement of a construction barge in Hornblower exclusive berthing area.

Hornblower was under no obligation to agree to any of the modifications to its lease sought by SFWP and required by the LDDA.

In consideration of its agreement to accede to the LDDA's terms, Hornblower has sought several reasonable concessions from the Port all of which affect the terms and conditions of the Hornblower Pier 3 Lease. These concessions are:

1. A reduction in base rent reflecting the reduction in the size of Hornblower's exclusive berthing area.
2. The creation of a nonexclusive utility area in favor of Hornblower beneath Pier 3 to the Embarcadero.
3. A right for Hornblower to place its signage on the Pier 3 archway façade.
4. A right for Hornblower to use the flagpole atop the Pier 3 archway.
5. The automatic expansion of the Hornblower premises to incorporate the pier and water area now affected by the lease with the Ferryboat Santa Rosa Partners, Ltd. (Lease No. L-10421) to be effective upon the termination of that lease.
6. An extension of performance dates relative to the preparation of a repair plan for the Pier 3 substructure.
7. The relocation of all Hornblower utilities required for the historic renovation and redevelopment of Piers 1½, 3 and 5 at no cost to Hornblower.
8. An option to extend the term of the lease following Hornblower's completion of substructure repairs.
9. An acceleration of Hornblower's rent credit reimbursements and the inclusion of other Hornblower percentage rent obligations in calculating that reimbursement.
10. An additional rent credit for the relocation of Hornblower's electrical transformer required as a condition of its BCDC permit.
11. A right to terminate the lease if, in Hornblower's reasonable opinion, future rent credits will not, over the remaining lease term, effect a total reimbursement of Hornblower's cost of substructure repairs.

MATERIAL TERMS OF LEASE AMENDMENT L-12175:

Over the course of the last year, Port Real Estate staff, coordinating with Port Planning and Development staff, has negotiated the terms of the proposed Second Amendment to and Restatement of Lease No. L-12175 ("Second Amendment to the Hornblower Pier 3 Lease") that incorporates all of the requirements of the LDDA and those considerations sought by Hornblower. As proposed the Second Amendment to the Hornblower Pier 3 Lease provides for the following terms and conditions.

Premises:

Parcel A:	69,140 square feet of open pier space at Pier 3.
Parcel B:	A 30-foot wide by 14-foot high right-of-way through the Pier 3 bulkhead.
Parcel C:	Exclusive berthing rights to approximately 93,077 square feet of water area adjacent to Pier 3.
Parcel D:	Non-exclusive right for the location and maintenance of utilities under the SFWP leased premises.

The Premises have been reconfigured so as to permit SFWP's installation of its public access improvements and the relocation of a construction barge without occupying any portion of the Hornblower premises. Additionally, Hornblower's option to lease premises in Pier 3, North has been modified. The option premises has been relocated to the Pier 3 bulkhead.

Signage:
A right to signage on the Pier 3 archway façade.

Flagpole:
A right to use and access the flagpole on top of Pier 3.

Expansion of Premises:
The automatic expansion of Hornblower Pier 3 Lease premises at the expiration of the FerryBoat Santa Rosa Lease (Lease No. L-10421) to include all of the area affected by that lease and at the same base and percentage rents applicable at the time of the expansion.

Restricted Use Zone:
Hornblower agrees to restrict development in Pier 3 consistent with the requirements of the LDDA.

Parking:
Hornblower agrees to provide 25 spaces to SFWP for 10 years at a market rate fee.

Surface Improvement:
Hornblower will grant to SFWP a right to construct an architectural surface treatment within the Hornblower leasehold.

Term:
The term remains the same expiring on December 31, 2030, subject to extension as described below.

Substructure Repairs:
Hornblower agrees to be responsible for all substructure repairs beneath Pier 3, including the substructure beneath that portion of the pier controlled by the Ferryboat Santa Rosa Partners, Ltd. lease (Lease No. L-10421). Hornblower will agree to submit a substructure repair plan to the Port by not later than December 31, 2004 and will complete the repairs by not later than December 31, 2010. The cost of such repairs shall be reimbursed via rent credits against 70% of Hornblower's percentage rent obligations under the Second Amended Hornblower Pier 3 Lease and Hornblower's percentage rent obligations under Port Lease No. L-12501 affecting portions of Piers 31 ½ and 33.

Extension of Term:
If, following the completion of the substructure repairs outlined in the substructure repair plan, the Port determines that the useful life of Pier 3, with continuing routine maintenance, has been extended through December 31, 2056, Hornblower may request an extension of the term through December 31, 2051.

If Hornblower fails to submit an appropriate substructure repair plan per the schedule outlined in the Second Amended Lease, Hornblower will not be entitled to rent credits for substructure

repairs or an extension of the term. However, Hornblower's obligation to maintain and repair the Pier 3 premises, including substructure repairs will not be extinguished.

Right to Terminate:
Following the Port's approval of the substructure repair plan, if Hornblower determines prior to its completion of the substructure repairs that, in Hornblower's reasonable judgement, it is unlikely that the percentage rent credits provided in the Second Amended Hornblower Pier 3 Lease will allow for complete reimbursement of Hornblower's substructure repair costs over the remaining term of the lease, Hornblower may terminate the Hornblower Pier 3 Lease upon 180 days written notice and repayment to Port of 50% of all rent credits taken by Hornblower up to the date of termination.

Rent:
The base rent has been reduced from $14,987.67 to $14,166.67 per month to reflect the reduction in premises size. The base rent is to be adjusted annually pursuant to a CPI based formula.

Percentage Rent:
Hornblower shall pay percentage rents equal to:

- 66% of Gross Receipts (net of taxes) for retail parking
- 10% of gross receipts for the sale of tours and excursions not operated by Hornblower
- 6% of all other gross receipts including customer parking.

Rent Credits:
The original lease provided for the following rent credits for the following items:

- Public Access Improvements	$400,000
- Berthing Improvements	$750,000
- Substructure Repairs	$8,000,000

The Second Amendment to the Hornblower Pier 3 Lease does not increase or reduce any of these rent credit accounts totals. However, Hornblower's internal labor is now included as a reimbursable cost for all three rent credit categories and Hornblower's cost of preparing the substructure repair plan is to be included as a part of the cost of substructure repairs.

An additional rent credit of $250,000 has been provided for Hornblower's cost to relocate its electrical transformer and telephone cabinet to accommodate both Hornblower's public access improvement obligation and the relocation of utilities required by the historic renovation and redevelopment of Piers 1 ½, 3 and 5.

Sharing of Pier 3 Access Maintenance Costs:
Hornblower agrees to be responsible for 50% of the maintenance costs attributable to its access rights through the Pier 3 bulkhead (Parcel B). SFWP is responsible for performance of such maintenance.

Access and Utility Rights:
The Second Amended Hornblower Pier 3 Lease now documents rights in favor of the FerryBoat Santa Rosa Partners, Ltd. for vehicular and pedestrian access to the FerryBoat Santa Rosa Partners and for utility lines serving that historic vessel.

Permitted Uses:
The following uses are permitted on the Hornblower Pier 3 Lease Premises:

1. Passenger loading and unloading operations and maintenance of excursion and passenger vessels.
2. The placement of a compound or compounds for office space, any storage, launching, mooring and display facilities for an America's Cup syndicate.
3. Berthing of transient vessels (72 hour maximum).
4. Maritime offices.
5. Photo services.
6. Visitor's center for sale of excursion and tour tickets.
7. Special events
8. Customer Parking
9. Public Parking
10. Parking for Port and SFWP tenant vehicles.
11. Such other support activities reasonably related to Hornblower's other permitted uses.
12. The placement and maintenance of utilities in the utility easements (parcel D).

Occupancy Restriction:
The lesser of 2,000 persons or the number permitted by law may occupy the Parcel A premises at any one time.

Maintenance and Repairs:
Hornblower is responsible for all maintenance and repairs including substructure repairs.

Relocation of Utilities:
The Port or its designee shall be responsible for the relocation of all utilities required by the historic renovation and redevelopment of Piers 1½, 3 and 5. Hornblower shall be responsible for any upgrades requested by Hornblower.

Leasehold Mortgages:
The Lease includes updated leasehold mortgage provisions similar to the recent Boudin leasehold, that, in Port staff opinion, will allow for leasehold financing of the proposed substructure repairs.

Conformance to Secretary's Standards:
Hornblower agrees to adhere to the historic rehabilitation standards established by the Secretary of the Interior through the U. S. Park Service for the rehabilitation of historic resources within historic districts.

Miscellaneous Provisions:
This Lease updates and strengthens many of the Port's lease provisions, consistent with more recent development leases, including provision regarding insurance, subsequent construction of improvements, City Requirements, Prevailing Wages and Equal Opportunity Program.

ANALYSIS:
Hornblower's agreement to modify its existing lease is required to move forward with the historic renovation and rehabilitation of Piers 1 ½, 3 and 5. Hornblower has agreed to all of the conditions required by the Piers 1 ½, 3 & 5 LDDA as well as other more protective lease requirements for the Port, based on more recent Port leases. In return, the Port has agreed only to an acceleration of rent credits for items previously agreed to by the Port, with the inclusion of additional cost categories, but without an increase in the total amount of rent credits, a possible extension of the term, a qualified right to terminate and a single additional rent credit for relocation of an electrical transformer.

Hornblower's agreement to conform to the Secretary's Standards preserves SFWP's ability to use historic tax credits to finance a portion of the costs of the historic renovation and redevelopment of Piers 1½, 3 and 5.

Background Lease No. L-12501:

On November 7, 1997 by Port Commission Resolution 97-96, the Port approved Lease No. L-12501 (the "Hornblower Pier 31½ Lease") for 43,927 square feet of open pier and exclusive berthing rights to 22,000 square feet of water area at Pier 31½. The term was for five years at a monthly rental rate of $18,024.00. The lease provided for a percentage rent equal to 6% of all Gross Receipts for excursion and special event services, 66% of gross receipts (net of City taxes) for retail parking, and 10% of commissions and mark-ups for retail sales for excursions and tours not operated by the tenant.

In addition by separate agreements the Port leased 1,925 square feet of shed space at Pier 33 (Lease Nos. 10940 and 11053) and 1,592 square feet of shed space at Pier 31 (Lease No. 13123).

All of these leases, including Lease No. L-12501 are now month to month leases.

A portion of the Pier 31½ open pier area premises of the L-12501 lease and the Pier 31 shed premises of Lease No. 13123 will be required for inclusion into the Mills Project lease at Piers 27, 29 and 31.

When originally negotiated, it was assumed that by the expiration of the original term in 2002, Hornblower would have moved its entire excursion operation to the Pier 3 shed and open pier area controlled by Hornblower under Port Lease No. L-12175. However, the elimination of the Pier 3 shed area from the premises needed to pursue the historic renovation and redevelopment of Piers 1½, 3 and 5, the expanded scope of needed substructure repairs at Pier 3 and the impact of the post 9-11-01 economy, have not allowed Hornblower to consolidate all of its activities at Pier 3.

As discussed above, Hornblower's agreement to enter into the proposed Second Amendment to and Restatement of Lease No. L-12175 affecting Pier 3 (the Hornblower Pier 3 Lease) is conditioned upon the Port agreeing to certain modifications to the Port's lease with Hornblower affecting real property and adjacent water area at Pier 31½. These modifications are:

1. An extension of the term from its existing month-to-month holdover so as to expire October 31, 2014.
2. An expansion of the premises to include the shed space in Pier 33 now controlled by Port month-to-month leases with Hornblower (Port Leases No. 10940 and No. 11053) as well as additional shed space in Pier 33 to replace shed space in Pier 3 controlled by Port Lease No. 12785 and shed space at Pier 31 controlled by Port month-to-month Lease No. 13123.
3. The expansion of Hornblower's exclusive berthing area at Pier 31½ (currently 22,000 sq. feet) to a size convenient to accommodate its largest existing vessel, the San Francisco Belle.
4. A "percentage rent only" attribution of rent to the parking area at Pier 31½.
5. The right to use Pier 31½ for special events.

MATERIAL TERMS OF LEASE AMENDMENT L-12501:

Port Real Estate staff has negotiated the terms of a proposed Amendment to and Restatement of Lease No. L-12501 (the "Hornblower Pier 31½ Lease") accommodating these conditions and providing for the following.

Premises:

Parcel A	42,952 square feet of open pier space at Pier 31½.
Parcel B	60,000 square feet (200' x 300') of exclusive berthing area adjacent to the Parcel A premises.
Parcel C	3,575 square feet of shed space in Pier 33.
Parcel D	1,760 square feet of shed space in Pier 33.

Term:
November 1, 1997 (the original commencement date of Lease L-12501) through October 31, 2004.

Rent: Base Rent Effective as of March 1, 2004: $2,090.00 per month adjusted annually pursuant to a CPI based formula.

Percentage Rent: 6% of Gross receipts
66% of Gross Parking receipts (net of City taxes)
10% of fees mark ups and commissions for ticket sales for excursions and tours not operated by the tenant.

Use: Excursions, both vehicle and vessel
Catering

Ticket booth
Photo sales
Special events
Parking
Support function for the other permitted uses.

Reduction of Premises:
A portion of the Pier 31½ open pier space will be available to the Port for inclusion into the Pier 27, 29 and 31 Mills Project without abatement of rent.

Maintenance and Repairs:
Tenant is responsible for all maintenance and repairs, except that the Port is responsible for the roof, exterior walk substructure and common drives, doors and lighting in Pier 33. Neither the Port nor Hornblower assume responsibility for substructure repairs to Pier 31½.

ANALYSIS:
The proposed Amendment and Restatement to Lease No. L-12501 allows Hornblower the additional time it needs to cooperate with the Port and SFWP in the historic renovation and redevelopment of Pier 3 and the undertaking of needed repairs to the Per 3 substructure. The amendment also allows Hornblower to centralize its existing "back of the house" operations in a single pier facility. At the same time, the Port maintains its flexibility to utilize portions of Pier 31½ as a part of the renovation and redevelopment of Piers 27, 29 and 31. There will be no financial impact to the Port as a result of the elimination of base rent attributable to the Pier 31½ parking lot. The maintenance of current post 9-11 sales levels will result in percentage rent due to the Port under this lease in excess of minimum rent obligations under both the proposed and pre amendment scenarios.

Background Lease No. L-10421

In October, 1998, the Port Commission approved Lease No. L-10421 with the Ferryboat Santa Rosa Partners, Ltd. for real property and an adjacent exclusive berthing area at Pier 3 (the "Ferryboat Santa Rosa Lease"). The Ferryboat Santa Rosa Lease was amended by an Amendment to and Restatement of Lease No. L-10421 dated September 26, 2000 and further amended by a Letter Agreement dated February 28, 2002. In March 2003, the Port Commission approved a Lease Disposition and Development Agreement (LDDA) with the San Francisco Waterfront Development Partners for the historic renovation and revitalization of the Pier 1½, 3 and 5 bulkhead. The terms of the LDDA require the Port to make certain modifications to the Ferryboat Santa Rosa Lease in order to effect the historic renovation and redevelopment of Piers 1½, 3 and 5. These modifications include:

1) The restriction on development of approximately 7,994 square feet of Pier 3 controlled by Lease No. L-10421.
2) The reduction of a portion of the Ferryboat Santa Rosa's exclusive berthing area in order to accommodate the public access improvements to be installed by SFWP as a part of the historic renovation and redevelopment of Piers 1½, 3 and 5.

3) The relocation of the mooring cleats now used to secure the Ferryboat Santa Rosa at her berth at Pier 3.
4) The granting of a right in favor of SFWP for construction staging and lay down.
5) The placement of a construction barge in the Ferryboat Santa Rosa exclusive berthing area.

In addition, the modifications to the Hornblower Pier 3 Lease at Pier 3 (Lease No. L-12175), discussed above, required by the LDDA required the Port to provide access to the Ferryboat Santa Rosa across the Hornblower Lease No. L-12175 premises to the access way through the Pier 3 bulkhead and the utility areas under Pier 3 and the Pier 3 bulkhead.

Over the course of a year, Port Real Estate staff and the Ferryboat Santa Rosa Partners have negotiated the terms of a proposed Second Amendment and Restatement of Lease No. L-10421 that accommodates the needs of SFWP as set forth in the LDDA and to provide access and utility rights across these portions of Pier 3 controlled by the LDDA and the Hornblower Pier 3 Lease (Lease No. L-12175).

In return for its agreement to these modifications, The Ferryboat Santa Rosa Partners, Ltd. have sought only minor concessions from the Port. Those concessions consist solely of (1) the Port's agreement to relocate the utility lines serving the Ferryboat Santa Rosa, and as required by SFWP at SFWP's cost, the relocation of the mooring cleats to locations acceptable to and at no cost to the Ferryboat Santa Rosa Partners, Ltd., the approval of a rent credit against percentage rent of up to $175,000 for reimbursement for the cost of installing an ADA (accessible) ramp from Pier 3 to the Ferryboat Santa Rosa main deck and an abatement in rent attributable to the area encompassing the SFWP construction staging and lay down area during its use by SFWP.

MATERIAL TERMS LEASE L-10421:
Port Real Estate staff has negotiated the terms of a proposed Second Amendment to and Restatement of Lease No. L-10421 (the Ferryboat Santa Rosa Lease) providing for the following terms and conditions:

Premises:

Parcel A:	11,561 square feet of open Pier Space at Pier 3.
Parcel B:	39,823 square feet of exclusive berthing area adjacent to the Parcel A Premises.
Parcel C:	A 30 foot wide and 14 foot high non exclusive right of way for pedestrian and vehicular access through the Pier 3 bulkhead building from the Hornblower Lease No. L-12175 Pier 3 Parcel A Premises to the Embarcadero.
Parcel D:	A non-exclusive right of pedestrian and vehicular access across the Hornblower Lease No. L-12175 Parcel A Premises.
Parcel E:	A non-exclusive right to the placement and maintenance of utilities beneath portions of the SFWP Premises.
Parcel F:	A non-exclusive right of way for the placement and maintenance of utilities beneath the Hornblower Lease No. L-12175 Parcel A Premises.

The Parcel A and Parcel C boundaries have been adjusted from the original lease to allow for both SFWP's installation of public access improvements required as a part of the historic renovation and redevelopment of Piers 1½, 3 and 5 and the temporary location of construction barges.

Restricted Use Zone:
The Ferryboat Santa Rosa Partners, Ltd. agrees to restrict development on its Parcel A premises consistent with the terms of the LDDA.

Substructure Repairs:
Ferryboat Santa Rosa Partners will have no responsibility for substructure repairs. Substructure repairs will be the responsibility of Hornblower Yachts, Inc. under the terms of the Hornblower Pier 3 Lease (Lease No. L-12175). If Hornblower fail to make such repairs and the condition of the premises is "red tagged," Tenant's sole remedy shall be to terminate the Lease.

Term:
The term remains unchanged expiring December 31, 2030.

Rent:

Base Rent: $3,258.00 per month reflecting a reduction in the Parcel C Premises ($674.00) adjusted annually pursuant to a CPI based formula.

Percentage Rent: 6% of gross receipts from Tenant's retail activities on the Premises 10% of all sublease revenues.

Rent credits: Up to $175,000.00 against the tenant's percentage rent obligations for costs directly attributable to the tenant's installation of an ADA accessible ramp from Parcel A to the main entrance of the Ferryboat Santa Rosa.

Permitted Uses:

1. Berthing, passenger loading and unloading of passenger vessels engaged in Special Excursion Service.
2. Berthing of transient vessels (96 hour maximum).
3. Installation of berthing improvements.
4. Catering
5. Maritime offices.
6. Photo services.
7. Special events
8. Berthing of a historic vessel (the Ferryboat Santa Rosa).
9. Meeting rooms and banquet facilities on board a historic vessel.
10. Museum on board a historic vessel.
11. Support activities directly related to the above uses.

Repairs and Maintenance:
The Ferryboat Santa Rosa Partners, Ltd. are responsible for all repairs and maintenance except repairs and maintenance of the Pier 3 substructure. That obligation has been assumed by Hornblower Yachts, Inc. under the terms of the proposed Second Amendment and Restatement to Lease No. L-12175.

Relocation of Utilities:
The Port or its designee shall be responsible for the relocation of all utilities required by the historic renovation and redevelopment of Piers 1½, 3 and 5. Ferryboat Santa Rosa shall be responsible for any upgrades requested by Ferryboat Santa Rosa.

Miscellaneous Provisions:
This Lease updates and strengthens many of the Port's lease provisions consistent with more recent Port development leases, including provisions regarding insurance, construction of new improvements, and City Requirements.

ANALYSIS:
The Ferryboat Santa Rosa Limited Partners, Ltd. agreement to modify its existing lease is required to move forward with the historic renovation and rehabilitation of Piers 1½, 3 and 5. The Ferryboat Santa Rosa Limited Partners, Ltd. has agreed to all of the conditions required by the Piers 1½, 3 and 5 LDDA. In return, the Port has agreed only to the inclusion of a single rent credit for the installation of an ADA accessible ramp from Pier 3 to the Ferryboat Santa Rosa main deck.

CONCLUSION AND RECOMMENDATION:
The proposed Second Amendment to and Restatement of Lease No. L-12175 (the "Hornblower Pier 3 Lease") the proposed Amendment to and Restatement of Lease No. L-12501 (the "Hornblower Pier 31½ Lease"), and the proposed Second Amendment to and Restatement of Lease No. L-10421 (the "Ferryboat Santa Rosa Lease") are necessary to complete the Port's obligations under the terms of the LDDA with SFWP Amendment and are necessary effect the historic renovation and redevelopment of Piers 1½, 3 and 5. The Amendment to and Restatement of Lease No.L-12501 (the "Hornblower Pier 31½ Lease") also will facilitate and assist in effecting the future renovation and redevelopment of Piers 27, 29 and 31.

All three proposed amendments are in the best interests of the City and the Port.

Hornblower Yachts, Inc. and the Ferryboat Santa Rosa Partners, Ltd. have been most cooperative and generous in accommodating the Port's needs regarding these two projects.

Port staff recommends Port Commission approval of the Second Amendment to and Restatement of Lease No. L-12175, the Amendment to and Restatement of Lease No. L-12501 and the Second Amendment to and Restatement of Lease No. L-10421.

Prepared by: Nicolas J. Dempsey, Asset Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-16

WHEREAS, Section B 3.581 of the Charter of the City and County of San Francisco empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port areas of the City and County of San Francisco; and

WHEREAS, Section B 3.581(g) of the City and County of San Francisco provides that lease granted and made by the Port Commission should be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, the Port Commission and Hornblower Yachts, inc., a California corporation ("Hornblower") entered into that certain Lease No. L-12175 lease dated November 1, 1997 (the "Original Hornblower Pier 3 Lease") whereby the Port leased to Hornblower and Hornblower leased from the Port certain real property and adjacent water areas located at Pier 3; and

WHEREAS, the Port Commission and Hornblower entered into that certain First Amendment to and Restatement of Lease No. L-12175 dated September 26, 2000, modifying certain terms of the Original Hornblower Pier 3 Lease, the Original Hornblower Lease as subsequently modified by the Amendment to and Restatement of Lease No. L-12175 is hereinafter referred to as the "Hornblower Pier 3 Lease"; and

WHEREAS, the Port Commission and Ferryboat Santa Rosa Partners, Ltd. ("Ferryboat Santa Rosa") entered into that certain Lease No. L-10421 dated October 8, 1998 (the "Original Ferryboat Santa Rosa Lease") whereby the Port leased to and Ferryboat Santa Rosa and Ferryboat Santa Rosa leased from Port certain real property and adjacent water areas located at Pier 3; and

WHEREAS, the Port Commission and Ferryboat Santa Rosa entered into that certain Amendment to and Restatement of Lease No. L-10421 dated September 26 modifying certain terms of the Original Ferryboat Santa Rosa Lease; and

WHEREAS, the Port Commission and the Ferryboat Santa Rosa entered into that certain Letter Agreement dated modifying the terms of the further Original Ferryboat Santa Rosa, the Original Ferryboat Santa Rosa as subsequently amended by the Amendment to and Restatement of Lease No. L-10421 and the Letter Agreement dated is hereafter referred to as the "Ferryboat Santa Rosa Lease"; and

WHEREAS, the Port Commission and Hornblower entered into that certain Lease No. L-12501 dated (the "Hornblower Pier 31½ Lease") whereby the Port leased to Hornblower and Hornblower leased from the Port certain real property and adjacent water area at Pier 31½, hereinafter the Hornblower Pier 31½ Lease"); and

WHEREAS, the Port Commission and the San Francisco Waterfront Partners, LLC, a California limited liability corporation ("SFWP") entered into that certain Lease Disposition and Development Agreement dated November 18, 2003 ("LDDA") for the historic renovation and redevelopment of Piers 1½, 3 and 5; and

WHEREAS, the terms of the LDDA require the Port to make certain modifications to the Hornblower Pier 3 Lease including without limitation of the reconfiguration and the relocation of a portion of the Lease premises in order to effect the historic renovation and redevelopment of Piers 1½, 3 and 5 as anticipated by the LDDA; and

WHEREAS, the Port and Hornblower have negotiated the terms and conditions of a Second Amendment to and Restatement of Lease No. L-12175 that accommodates all those modifications to the Hornblower Pier 3 Lease required by the LDDA; and

WHEREAS, Port and the San Francisco Piers 27-31, LLC entered into an Exclusive Right to Negotiate agreement, dated as of June 13, 2001, as subsequently modified (the "exclusive Right") granting exclusive negotiation rights to San Francisco Piers 27-31, LLC for the renovation and redevelopment of Piers 27-31; and

WHEREAS, In order to effect the renovation and redevelopment of Piers 27, 29 and 31, it may be necessary to reconfigure the Pier 31½ premises affected by the Hornblower Piers 31½ Lease and to relocate Hornblower's premises in Pier 31; and

WHEREAS, the proposed Amendment to and Restatement of Lease No. L-12501 provides for a reduction in the size of the premises as may be required for the Port to proceed with the proposed renovation and redevelopment of Piers 27, 29 and 31, and accommodates certain provisions required by Hornblower as a condition to its entering in to the Amendment to Lease No. L-12175 at Pier 3, such as extending the term, expanding the permitted uses, expanding the premises and otherwise modifying the terms and conditions of the Hornblower Pier 31½ Lease; and

WHEREAS, the terms of the LDDA require that certain modifications be made to the Ferryboat Santa Rosa Lease including the reconfiguration and relocation

of the Ferryboat Santa Rosa Pier 3 premises in order to effect the historic renovation and redevelopment of piers 1½, 3 and 5 as anticipated by the LDDA; and

WHEREAS, the Port and Ferryboat Santa Rosa have negotiated the terms and conditions of a Second Amendment to and Restatement of Lease No. L-10421 that accommodates the all those modifications to the Ferryboat Santa Rosa Lease required by the LDDA; and

WHEREAS, it is necessary for the Port to enter into the proposed Second Amendment to and Restatement of Lease No. L-12175 with Hornblower in order to effect two public projects, namely, the historic renovation and redevelopment of Piers 1½, 3 and 5; and

WHEREAS, it is necessary for the Port to enter into the proposed Amendment to Lease No. L-12501 with Hornblower in order to effect two public projects, namely, the historic renovation and redevelopment of Piers 1½, 3 and 5; and

WHEREAS, it is necessary for the Port to enter into the proposed Second Amendment to and Restatement of Lease No. L-10421 with Ferryboat Santa Rosa in order to effect two public projects, namely, the historic renovation and redevelopment of Piers 1½, 3 and 5; and

WHEREAS, the best interests of the City and County of San Francisco and the Port Commission will be served by entering into the Second Amendment to and Restatement of Lease No. L-12175 with Hornblower Yachts, Inc; and

WHEREAS, the best interests of the City and County of San Francisco and the Port Commission will be served by entering into the Amendment to and Restatement of Lease No. L-12501 with Hornblower Yachts, Inc; and

WHEREAS, the best interests of the City and County of San Francisco and the Port Commission will be served by entering into the Second Amendment to and Restatement of Lease No. L-10421; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves the terms and conditions of the Second Amendment to and Restatement of Lease No. L-12175 as set forth in the staff Memorandum for Agenda Item No. 4A for the regularly scheduled Port Commission meeting of March 9, 2004 and a copy of which is on file with the Commission Secretary; and be it therefore

RESOLVED, that the San Francisco Port Commission hereby authorizes and directs the Executive Director or his designee to execute the Second Amendment to

and Restatement of Lease No. L-12175 including all exhibits thereto, in substantially the form of such agreement on file with the Commission Secretary and in such final form as is approved by the Executive Director in consultation with the City Attorney; and be it further

RESOLVED, that the San Francisco Port Commission authorizes the Executive Director to enter into any addition, amendments or other modifications to the Second Amendment to and Restatement of Lease No. L-12175 (including without limitation, preparation and attachment of, or changes to any and all exhibits, that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not increase or decrease the rent, and are necessary or advisable to complete the transactions incorporated in the Second Amendment to and Restatement of Lease No. L-12175 in accordance with this resolution, such determination to be evidenced by the execution and delivery by any such person or persons of any such documents; and be it therefore

RESOLVED, that the San Francisco Port Commission authorizes and urges the Executive Director and any other appropriate officers, agents or employees of the City to take any and all steps (including without limitation, the execution and delivery of any and all certificates, agreements, notices, escrow instruction, closing instructions or other documents) as they or any of them deem necessary or appropriate, in consultation with the City Attorney, in order to consummate the transactions incorporated in the Second Amendment to and Restatement of Lease No. L-12175 in accordance with this resolution, or to otherwise effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by any such person or persons of any such documents; and be it therefore

RESOLVED, that the San Francisco Port Commission hereby approves the terms and conditions of the Second Amendment to and Restatement of Lease No. L-12501 as set forth in the staff Memorandum for Agenda Item No. 4A for the regularly scheduled Port Commission meeting of March 9, 2004 and a copy of which is on file with the Commission Secretary; and be it therefore

RESOLVED, that the San Francisco Port Commission hereby authorizes and directs the Executive Director or his designee to execute the Second Amendment to and Restatement of Lease No. L-12501 including all exhibits thereto, in substantially the form of such agreement on file with the Commission Secretary and in such final form as is approved by the Executive Director in consultation with the City Attorney; and be it further

RESOLVED, that the San Francisco Port Commission authorizes the Executive Director to enter into any addition, amendments or other modifications to the Second Amendment to and Restatement of Lease No. L-12501 (including without limitation, preparation and attachment of, or changes to any and all exhibits, that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not increase or decrease the rent, and are necessary or advisable to complete the transactions incorporated in the Second Amendment to and Restatement of Lease No. L-12501 in accordance with this resolution, such determination to be evidenced by the execution and delivery by any such person or persons of any such documents; and be it therefore

RESOLVED, that the San Francisco Port Commission authorizes and urges the Executive Director and any other appropriate officers, agents or employees of the City to take any and all steps (including without limitation, the execution and delivery of any and all certificates, agreements, notices, escrow instruction, closing instructions or other documents) as they or any of them deem necessary or appropriate, in consultation with the City Attorney, in order to consummate the transactions incorporated in the Second Amendment to and Restatement of Lease No. L-12501 in accordance with this resolution, or to otherwise effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by any such person or persons of any such documents; and be it therefore

RESOLVED, that the San Francisco Port Commission hereby approves the terms and conditions of the Second Amendment to and Restatement of Lease No. L-10421 as set forth in the staff Memorandum for Agenda Item No. 4A for the regularly scheduled Port Commission meeting of March 9, 2004 and a copy of which is on file with the Commission Secretary; and be it therefore

RESOLVED, that the San Francisco Port Commission hereby authorizes and directs the Executive Director or his designee to execute the Second Amendment to and Restatement of Lease No. L-10421 including all exhibits thereto, in substantially the form of such agreement on file with the Commission Secretary and in such final form as is approved by the Executive Director in consultation with the City Attorney; and be it further

RESOLVED, that the San Francisco Port Commission authorizes the Executive Director to enter into any addition, amendments or other modifications to the Second Amendment to and Restatement of Lease No. L-10421 (including without limitation, preparation and attachment of, or changes to any and all exhibits, that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not increase

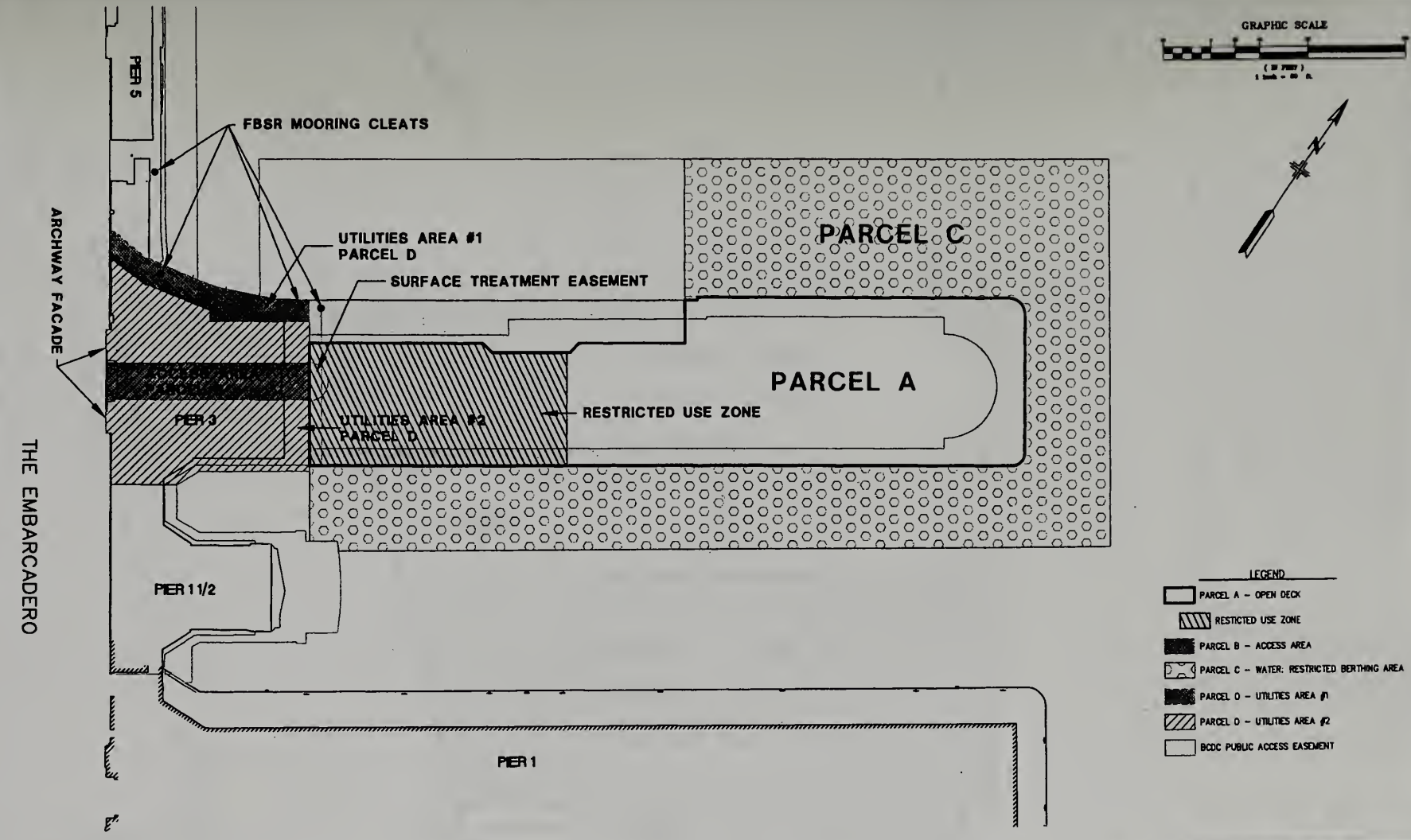
or decrease the rent, and are necessary or advisable to complete the transactions incorporated in the Second Amendment to and Restatement of Lease No. L-10421 in accordance with this resolution, such determination to be evidenced by the execution and delivery by any such person or persons of any such documents; and be it therefore

RESOLVED, that the San Francisco Port Commission authorizes and urges the Executive Director and any other appropriate officers, agents or employees of the City to take any and all steps (including without limitation, the execution and delivery of any and all certificates, agreements, notices, escrow instruction, closing instructions or other documents) as they or any of them deem necessary or appropriate, in consultation with the City Attorney, in order to consummate the transactions incorporated in the Second Amendment to and Restatement of Lease No. L-10421 in accordance with this resolution, or to otherwise effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by any such person or persons of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 9, 2004.

_____
Secretary

EXHIBIT A



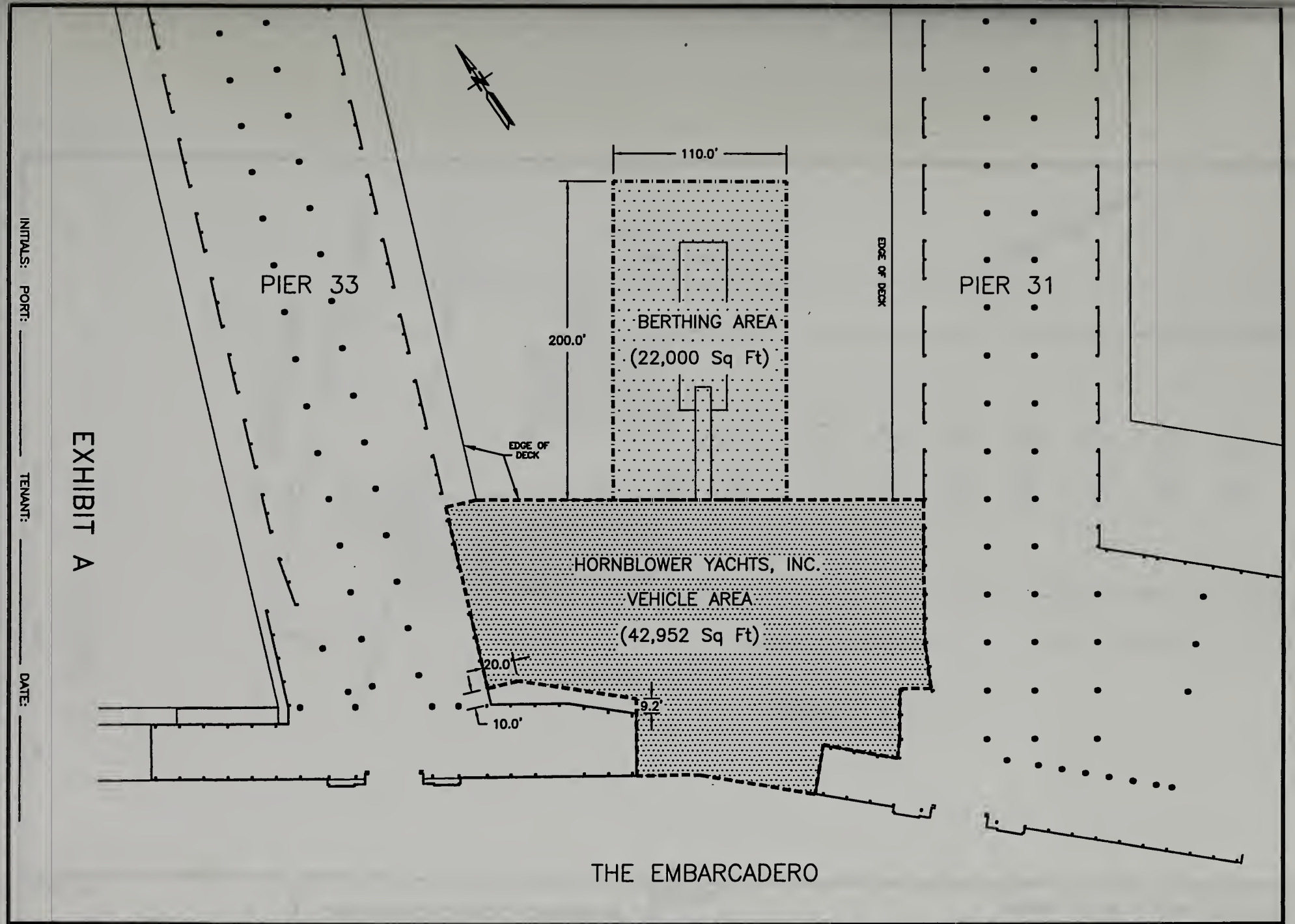
APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____

_____
CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

PIER 3
SITE MAP
LEASE NO. L-12175
HORNBLOWER YACHTS, INC.

IN CHARGE: N. DEMPSEY	CHECKED BY: ---
DRAWN BY: AMN	DATE: 27 FEB 2004
DATA FILE: ---	SCALE: 1" = 80'
DRAWING NO. HB-SRLeaseBdy.dwg	SHEET NO. 1 OF 10 SHEETS



LEASE NO. L–	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	TENANT HORNBLOWER CRUISES & EVENTS	DRAWN BY: ECC CHECKED BY: N. DEMPSEY PLACE CODE NO. 1335–00	DATE: DEC 3, 2003 SCALE: 1" = 80' SHEET NO. OF SHEETS

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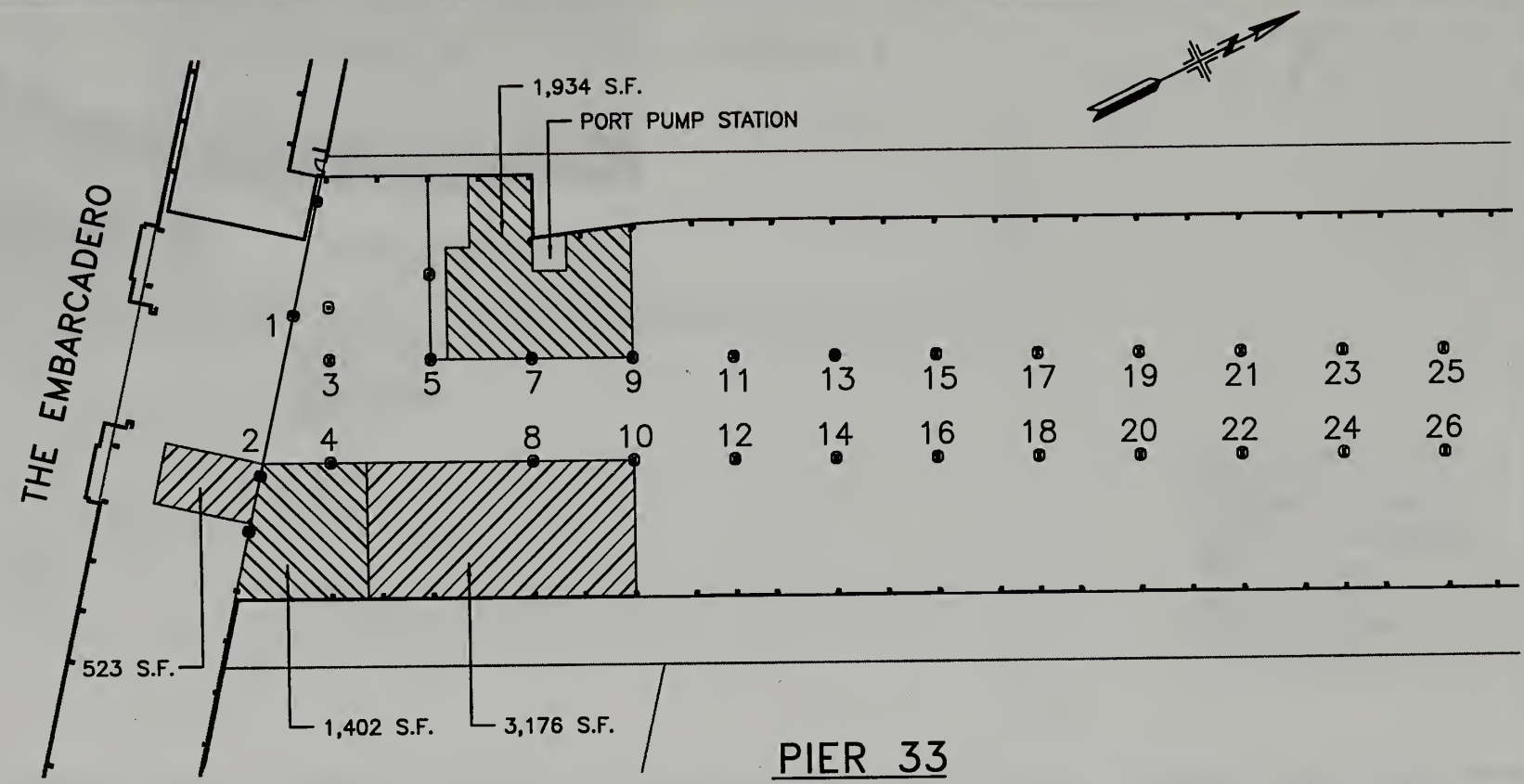

EXHIBIT A

INITIALS: PORT _____ TENANT _____ DATE _____

LEASE NO.		TENANT:		
L-12501	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO	HORNBLOWER CRUISES AND EVENTS	DRAWN BY: S. CHU CHECKED BY:	DATE: DEC. 3, 2003 SCALE:
			PLACE CODE NO. 1330-0-0000	SHEET NO. OF SHEETS

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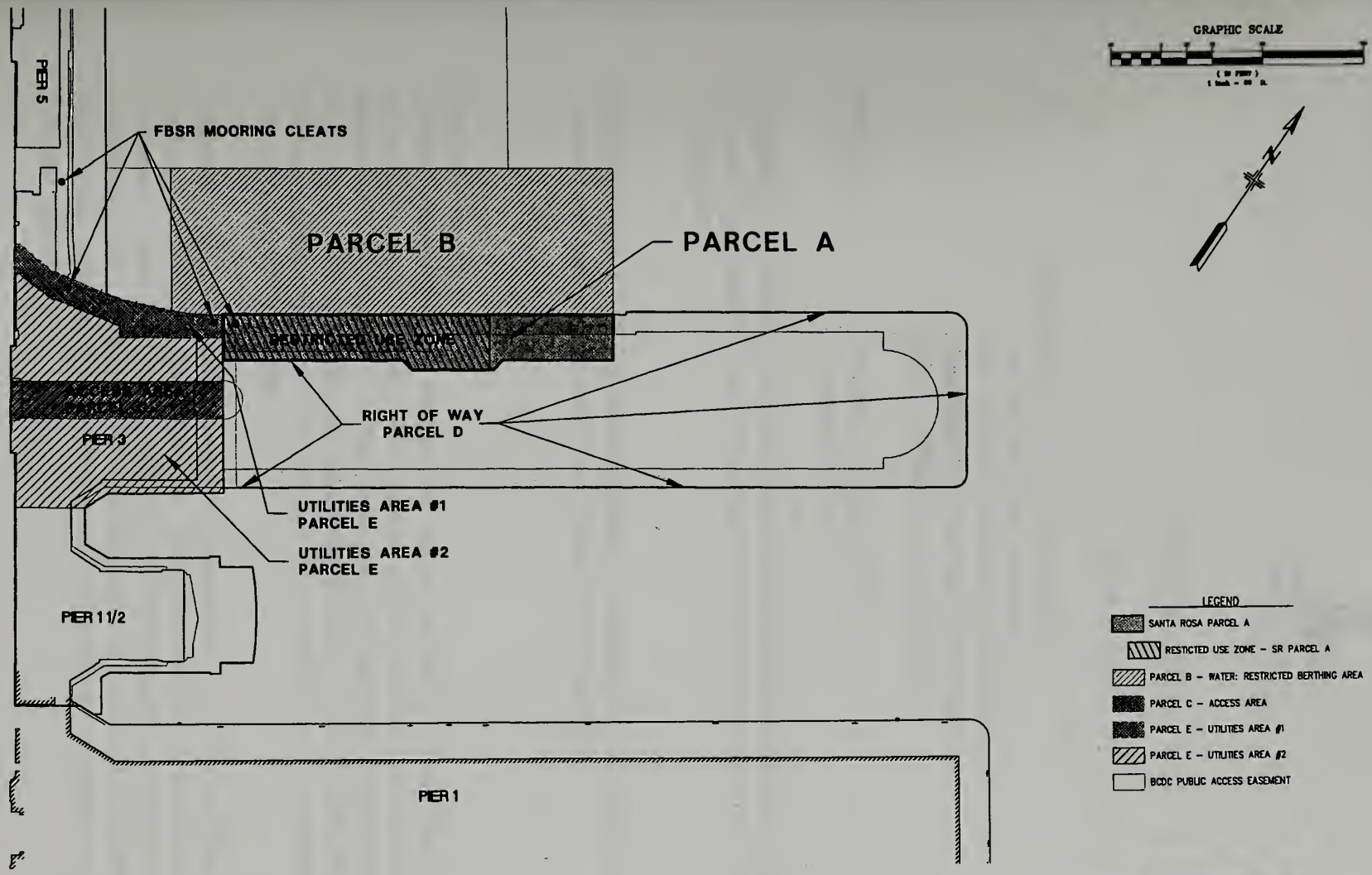
EXHIBIT A



APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____

_____
CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

PIER 3
SITE MAP
LEASE NO. L-10421
FERRYBOAT SANTA ROSA PARTNERS, LTD.

IN CHARGE: N. DEMPSEY	CHECKED BY: ---
DRAWN BY: AMN	DATE: 27 FEB 2004
DATA FILE: ---	SCALE: 1" = 80'
DRAWING NO. HB-SRLeaseBdy.dwg	SHEET NO. 1 OF 9 SHEETS

PORT OF SAN FRANCISCO

MEMORANDUM

March 3, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational presentation from Port Sign Committee - Proposed variance from Ballpark Sign Guidelines to allow blinking or intermittently lighted sign at SBC Park, Lefty O'Doul gate.

DIRECTOR'S RECOMMENDATION: No action for Port Commission. Receive public comment on requested variance from Ballpark Sign Guidelines.

Signage Proposal

The San Francisco Giants changed the name of the Ballpark from Pacific Bell Park to SBC Park at the beginning of this year. The name change necessitated installation of new signage throughout the ballpark. All of the replacement signage will mirror the original signage except for a larger, animated neon sign proposed at the Lefty O'Doul Plaza entry gates. The San Francisco Giants believe that the existing signage at this gate is inadequate and does not properly serve this ballpark entrance.

Almost half of the ballpark patrons enter through the Lefty O'Doul plaza due to its proximity to parking south of China Basin Channel. The plaza currently has an unfinished feel due to the Giants not constructing an originally planned office building adjacent to the plaza, minimal site furnishings, and a relatively small entrance sign. The proposal is to construct what the Giants describe as a properly scaled entrance sign to improve the aesthetics and popularity of the plaza and entry gate.

THIS PRINT COVERS CALENDAR ITEM NO. 5A

The proposed sign at Lefty O'Doul gate would be a freestanding sign over the three entry turnstile areas reaching a width of 47-feet and a height of 40-feet. (Note: The existing sign only spans one of the three sets of turnstiles and is about 20-feet wide and 19-feet in height.) The sign would feature the words "SBC Park" along the top and "Home of the San Francisco Giants" at its base. The language and text style of the sign will mirror that used for the other ballpark entry gates. In addition to the text, the sign will feature an animated neon graphic of a baseball splashing into the water, a common theme of signage throughout the ballpark. In addition, the image of a harbor seal (currently the Giants' mascot) appears diving in an out of the water throughout a typical sequence. The animated graphic is proposed to repeat about every eight seconds.

The Ballpark Sign Guidelines prohibit the use of "electrical or illuminated signs [that] blink or [are] intermittently lighted." Sign Guidelines, §VI(D)(2). Because portions of the animated neon graphic element of the proposed sign would light in sequence to depict the baseball splashing into the water, the proposed sign would require a variance from this restriction.

Variance Procedure

The Ballpark Sign Guidelines provide a variance procedure whereby the Port Sign Committee may grant a variance from the Guidelines if required findings are met. The Port Sign Committee is comprised of staff members from the Real Estate, Engineering and Planning & Development divisions of the Port.

Because of the height of the proposed signage and because animated or "blinking" signs are prohibited by both the Ballpark Sign Guidelines and the Port Sign Guidelines applied to all Port property, the Sign Committee requested that the Giants present the proposal to a number of agencies and neighborhood groups that have in the past expressed interest in the appearance and function of the ballpark, including: the San Francisco Planning Department; the San Francisco Bay Conservation & Development Commission; the San Francisco Redevelopment Agency; the Rincon Point/South Beach Citizen's Advisory Committee; Catellus Corporation, including new homeowners at the Glassworks condominiums on Third Street; China Basin Landing management on Third Street; and a representative from the Mission Creek Houseboat Association. The informational presentation at the Port Commission meeting on March 9, 2004 invites broader community review and comment on the requested variance. The Sign Committee will consider the comments of the citizens and public agencies prior to taking an action on the variance.

Public Comments

Thus far, the Giants have presented their sign proposal to the various public agencies and citizen groups listed above. The proposed sign structure has been positively received by many of those who have seen it. One common issue that has arisen in all of the discussions is the planned hours and days of the animation. Generally there is a call to limit the animation to game days or other major special events, and to have the animation end after a game. The context for this request is the observation that the blinking movement of the lighted sign will attract the eye and that some periods of relief are desired by area residents and regulatory agencies concerned with the quality of open space areas near the Bay. When the animation is not functioning, the other portions of

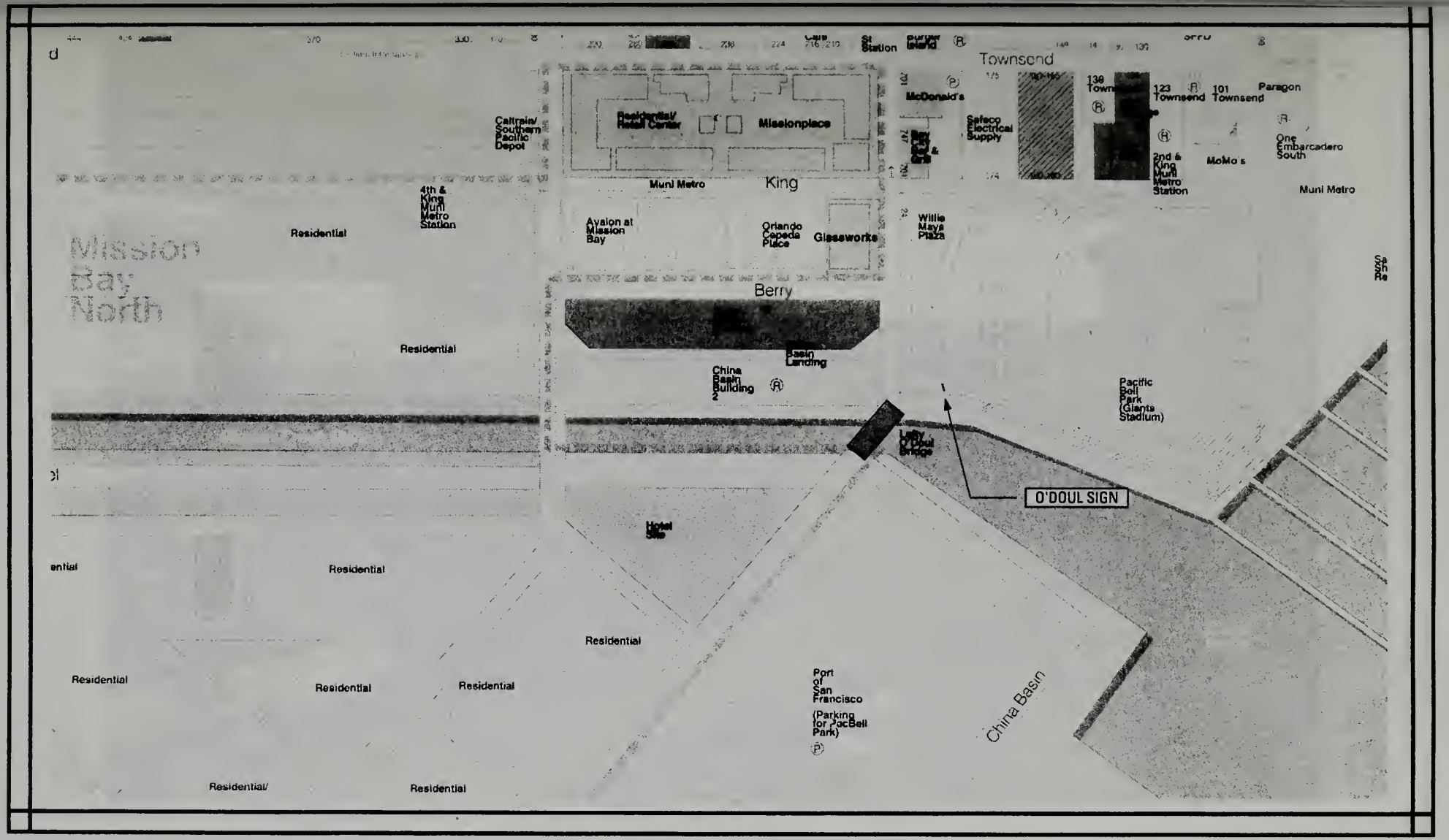
the sign could remain illuminated, including a static image of the baseball splashing into the water.

Sign Committee Action
The nature of the ballpark and its use presents an exceptional circumstance that is not typical of Port property in general. The scale and the civic nature of the ballpark, combined with the fact that this type of animated, lighted signage is typical of ballparks, both modern and historic, combine to present a unique circumstance that is not found in other Port properties.

The graphic element of the sign illustrates one of the ballpark's best-known and most celebrated features – the "splash hit" of a homerun into McCovey Cove – a graphic reference to the ballpark's waterfront location with the City. The proposed animation attracts attention to the sign greater than a static neon sign, which may enhance the appearance of the Lefty O'Doul plaza and its function as a major event entry gate and is appropriate for the ballpark's unique use both along the waterfront and to the City. However, the animated sign's enhancement of the plaza is primarily effective when it is in use for an event. Because the animation will attract a greater amount of visual attention than what was otherwise perceived in the Ballpark Sign Guidelines and based upon the public comments received at this point, the Sign Committee's approval of the requested variance will be conditional and is proposed to be limited to days when games are played at the ballpark or other major public events.

Commission Action
This is an informational item for purposes of public review and comment; no action is required of the Port Commission.

Prepared by: Dan Hodapp
Senior Waterfront Planner



SBC PARK

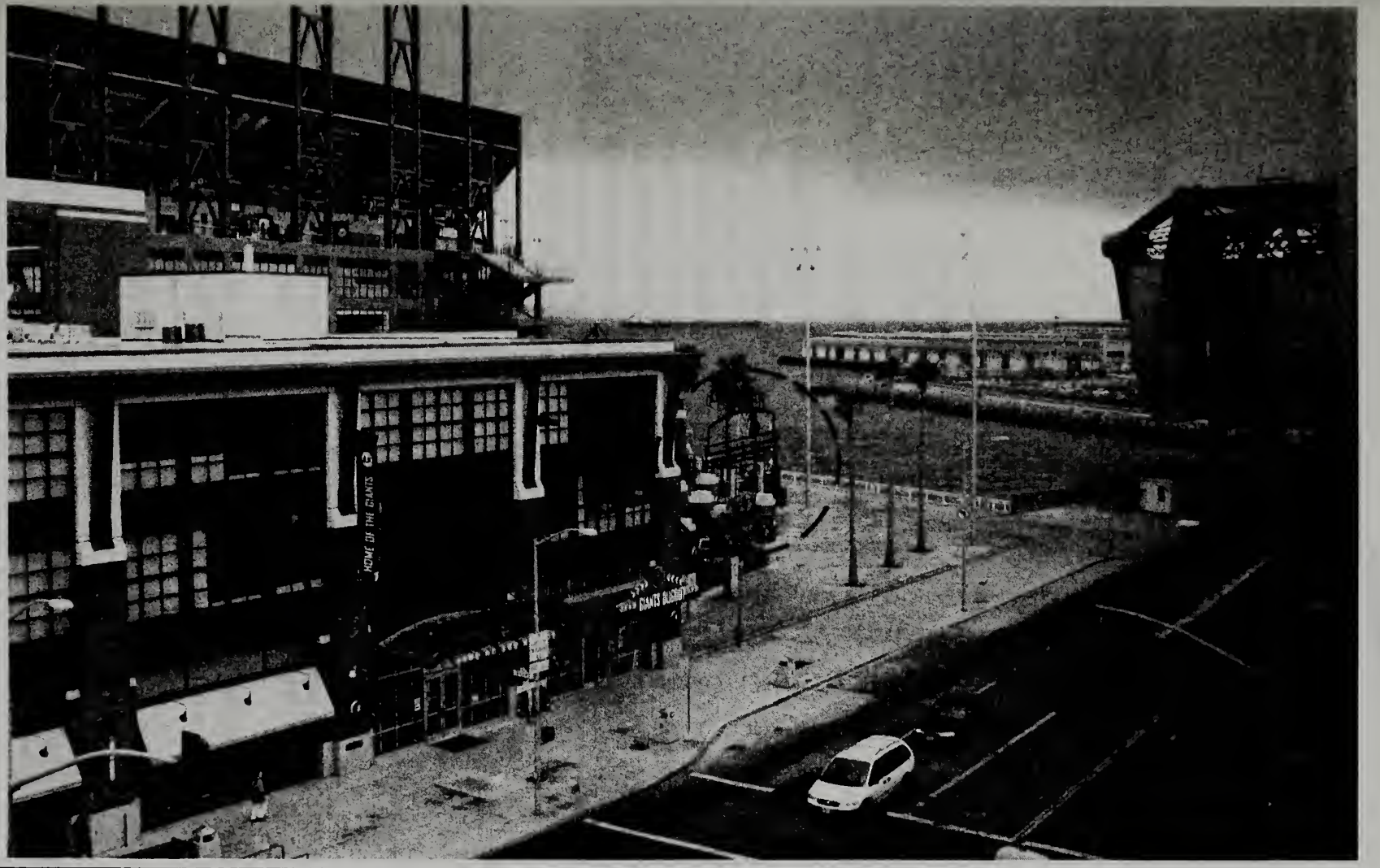
HOME OF THE SAN FRANCISCO GIANTS

MISSION BAY PLAN
Scale: NA

Package 1A 2.25.04

Debra Nichols Design
468 Jackson Street
San Francisco, CA 94111
415 788 0766
415 788 0767
dndesign@worldnet.att.net

DND



SBC PARK

HOME OF THE SAN FRANCISCO GIANTS

O'DOUL GATE, EA - PHOTO FROM THE GLASSWORKS 5TH FLOOR CENTER

Scale: NA

Package 1A 2.26.04

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DND

PORT OF SAN FRANCISCO

MEMORANDUM

March 3, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation: Status Report on Southern Waterfront Planning

INTRODUCTION

The Port Commission and staff are focusing significant resources on planning and development analysis in the Port's Southern Waterfront, located from Pier 70 to Pier 98 (Herons Head Park) on 370 acres of property within the Port's jurisdiction. The primary centers of activity are Pier 70, home of the ship repair industry, and the Pier 80-96 maritime complex, made up of the Port's various marine terminals, industrial transportation systems and support areas for container and non-container cargo shipping. The Pier 90-94 Backlands is included within the Pier 80-96 maritime terminal complex, 47 acres of land located upland from the Port's cargo terminals on the south side of Islais Creek.

There are many economic, environmental, land use and community concerns that have given rise to the need for planning in the Southern Waterfront:

- *Community concerns about negative impacts from deteriorating or unimproved conditions and temporary uses within the Pier 70 and Pier 90-94 Backlands areas*
- *The needs and requirements to continue support of the Port's maritime industries (ship repair at Pier 70; cargo shipping at Pier 80-96)*
- *Community needs and expectations to create public benefits along the waterfront, including public access and open space, historic preservation, economic and employment opportunities*
- *The need to clean up and redevelop brownfields areas which are hampered with aging or minimal infrastructure systems*
- *The regulatory and public trust restrictions on Port lands that constrain many types of revenue-generating uses*

This Print Covers Calendar Item No. 5B

- *The need to identify traditional and creative financing strategies necessary to implement improvements*

PIER 90-94 BACKLANDS

Port staff currently is working with the Port's Southern Waterfront Advisory Committee (SWAC) and Maritime Commerce Advisory Committee (MCAC), and the Southern Waterfront community to develop a plan and development strategy for the Pier 90-94 Backlands to, if determined to be feasible, support a development RFP opportunity. In March 2003, after previous interagency planning efforts in the Southeast part of the City, Port staff re-initiated its own efforts to carry out public workshops and meetings to develop a community plan for the Pier 90-94 Backlands, to:

1) Educate the community on existing Port land use policies, public trust requirements and regulations, maritime industry needs, environmental conditions and storm water management requirements (March - July 2003)

2) Receive direction and public comment from the community on what types of land uses, qualities and/or attributes should be achieved in Pier 90-94 Backlands redevelopment (July – September 2003)

3) Receive direction and public comment from the community to develop real estate leasing guidelines and procedures for Southern Waterfront interim uses, which have been unanimously recommended for approval by the SWAC, MCAC and Pier 70 Advisory Committees (October 2003 – February 2004)

4) Initiate public review and comment of Pier 90-94 Backlands development concepts prepared by Port staff. The development concepts respond not only to the public comments and direction received per Item 2 above, but also provide for and integrate with shipping and public trust-related needs within the Pier 80-96 maritime terminal complex.

Development Concepts: In summary, and as illustrated in **Figures 1, 2 and 3**, the development concepts for the Pier 90-94 Backlands focus on the following:

Along Third Street & Cargo Way
- Maintain freight rail access and connection to Illinois Street Inter-modal Bridge
- Expand landscaping and greening of the gateway to Bayview Hunters Point at Third & Cargo
- Create new, transit-accessible community space for meetings and programs
- Coordinate with the Redevelopment Agency to make Cargo Way a Greenway to Heron's Head Park and beyond
- Expanded landscaping and entrance improvements to Heron's Head Park

The Pier 90-94 Backlands
- Develop a warehouse-based complex, integrated with landscaped areas and on-site, natural based storm water management system
- Construct up to about 1.2 million square feet of warehouse space, which allows about 40% of the area for circulation, parking, landscaping and open space improvements
- Design new construction to meet needs for maritime cargo storage (e.g. for newsprint, steel, lumber break-bulk) and operations, and public trust uses (e.g. Port maintenance, marine fueling facilities), which also can be used for general industrial purposes on an interim basis

- Incorporate eco-industrial principles in construction and operations, to maximize recycling and reuse between co-located industries; and to minimize waste streams and environmental costs

Waterside Open Space, Public Access and Wharf Improvements

- Develop a public access network between key waterfront open spaces: Herons Head Park, Pier 94 wetlands/public access, Cargo Way Greenway, Islais Creek, west of Illinois Street Bridge
- Integrate landscaping and natural-based storm water management system with public access improvements
- Repair Pier 90 Wharf to restore vessel access

Infrastructure

- Improve Amador Street and construct its extension from Pier 92 to Pier 94-96
- Develop new utilities and infrastructure, including the on-site natural storm water management system
- Secure remaining funding and construct the Illinois Street Inter-modal Bridge

The initial presentation and public discussion of the draft development concepts are scheduled for an evening workshop with the Southern Waterfront community on March 3, 2004. Staff will provide a report the meeting's proceedings at the March 9th Commission meeting. Additional public meetings through May will be scheduled to receive comments and suggest refinements to the development concepts.

The Port also has spent significant time securing the final approvals for the Illinois Street Inter-modal Bridge. The Port received BCDC authorization in January 2004, and expects to secure the final required approval from the U.S. Coast Guard this Spring. While this project has received great support from many constituencies, the Bridge design changes necessary to respond to community comments to include a movable span, bike and pedestrian lanes increased project costs by $7 million. The Port is now working hard to seek funding from a variety of sources to supplement existing funds necessary to construct the Bridge.

Next Steps and Required Funding: The remaining work and schedule to complete planning for the Pier 90-94 Backlands is presented in **Table 1** below. Once public comments on development concepts are received, the Port will require access to Planning & Development funds currently on reserve by the Board of Supervisors to hire a consultant team to assist in the feasibility analyses necessary to arriving at a viable plan. In an independent action, the Board transmitted an inquiry last month requesting a detailed status report of the Port's planning efforts for the Pier 90-94 Backlands, and Pier 70. In the context of providing a response to this inquiry, the Port intends to request the release of the Port funds necessary to carry out that planning work.

The outcome of this work for the Pier 90-94 Backlands could lead to a development RFP process which, if pursued, would require additional consultant assistance to help staff evaluate proposals and negotiate with the selected development entity. For a breakdown of estimated costs of this efforts, and those for Pier 70, see **Table 3** at the end of this report. Please note that this funding is not sufficient to cover environmental review pursuant to the California Environmental Quality Act (CEQA) as part of the planning process. However, any viable development proposal for the Pier 90-94 Backlands would be subject to CEQA review at that time.

G: Planning/Backlands/2-13-04 Backlands Development Concept

PIER 90 -94 BACKLANDS DEVELOPMENT AREA
- Area: 47 acres, upland of Port's Pier 92, 94-96 cargo terminal facilities
- At 60% buildable area: 1,200,000 s.f. (allows for parking, loading, streets, landscaping, utility/storm water systems)
- Compatible with cargo terminal operations
- Maintains freight rail facilities
- Flexible design to meet trust-related needs
- Promotes Eco-industrial principles
- Potential business uses:
  - Assembly/light manufacturing-related businesses
  - Construction materials –based businesses
  - Recycling – based businesses
  - Collection & distribution center
  - Port maintenance and operations
  - Ancillary commercial services (e.g. local eatery)

PIER 90 WHARF
- Repair and maintain for maritime use (For cargo, berthing or harbor services, or future ferry, water taxi dock)

ALONG THIRD STREET & CARGO WAY
- Beautification (Expand landscaping improvements while maintaining Third/Cargo freight rail access)
- Community Space(Transit-accessible space for community functions, integrated with landscaping, Islais Creek public access)
- Greenway along Cargo Way to Heron's Head
  - Coordinate improvements with India Basin Redevelopment Plan improvements
  - Maintain and enable freight rail yard and functions

OPEN SPACE & PUBLIC ACCESS
- Develop network between key public access/ open space nodes (Heron's Head Park, Pier 94 wetlands/public access, Cargo Way greenway, Islais Creek west of Illinois Bridge)
- Pedestrian access within and through Backlands to public access shoreline
- Integrate design with on-site natural storm water management system

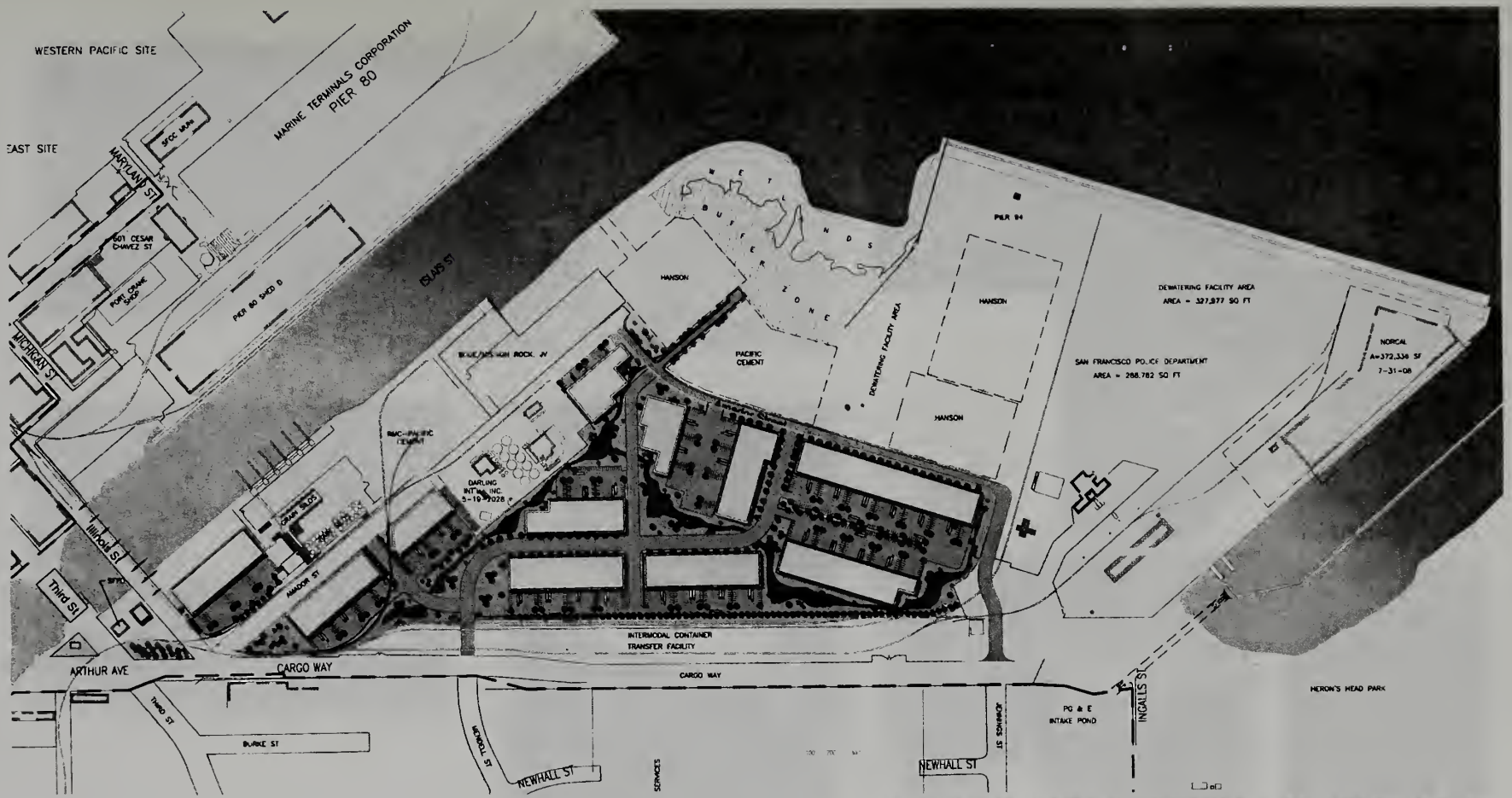
INFRASTRUCTURE
- Amador Street upgrade and connection
- Internal streets and access
- Sewer, electrical, communications, water upgrades
- On-site natural storm water management system
- Maintain all freight rail facilities

Figure 1

Draft for Public Review - February, 2004

Pier 90 -94 Backlands - Development Concepts

Port of San Francisco Southern Waterfront



G:PLANNING/SOUTHERN WATERFRONT/BACKLANDS/GRAPHICS/2-04 DJB-BACKLANDS SITE CONCEPT .JPG

Figure 2

PIER 90 - 94 BACKLANDS- CONCEPTUAL DEVELOPMENT - ILLUSTRATIVE SCENARIO 1

Port of San Francisco - February, 2004

PORT

Honda Northwest Regional Facility
Gresham, Oregon

American Honda Precedent

American Honda Motor Co.'s Northwest regional facility in Gresham, is a successful "green" design example that has received a national Gold Leadership Award in Environmental Energy Design, a LEED rating. The facility incorporates environmentally friendly methods of design, construction, and operation. Honda's efforts demonstrate that a commercial/industrial building can be environmentally responsible and energy efficient while supporting normal business activity. This project provides a valuable precedent for future development in the Corridor.

G:Planning/Southern Waterfront/Backlands/Graphics/Photos of Ind.Parks djb-2-28-04 warehouse Image Board

Figure 3
Pier 90 -94 Backlands -Development Images
Port of San Francisco

PORT OF SAN FRANCISCO

TABLE 1: PIER 90-94 BACKLANDS PLAN – WORK PROGRAM AND SCHEDULE

TIMEFRAME /1/	COMMUNITY REVIEW OR OUTREACH-RELATED	CONSULTANT – RELATED AND PORT STAFF WORK /1, 2/
March - July 2004 /2/	Community meeting(s) to define potential development concepts for the Backlands area, consistent with - overall objective of developing the backlands as an integral part and enhancement of the Port's maritime terminal complex in Pier 80 through Pier 96 area - goals and objectives defined for the Backlands plan by the community in Summer 2003 Backlands development concepts defined through these workshops will undergo feasibility analysis by consultant team to be hired by the Port	Port commences process to solicit proposals from "pre-qualified" prime consultants managing an interdisciplinary team to conduct feasibility analyses for Pier 9094 Backlands development concepts identified by the community. Consultant team anticipated to be on board in July 2004.
July – September/October 2004	Community meeting(s) to - introduce consultant team to the community, - inform the Port/consultant team of any additional community objectives and issues for further assessment - report consultant assessments to community, as they become available	Consultant team reviews past site studies: Economic/Maritime consultants to - review Port's Maritime/Industrial study and updated cargo forecasts - conduct market analysis to determine other potential opportunities - assess land needs to meet maritime industrial needs Legal analysis to advise Port and consultant team of public trust-related constraints and issues; coordinate with State Lands as applicable Engineering consultant to conduct initial assessment of environmental and infrastructure conditions to produce initial assessment of needed improvements Urban Design/Transportation consultants to - review and initially assess transportation access requirements to support development concepts, and current and future maritime operations

		Port coordinates with San Francisco Planning Dept, Redevelopment Agency, and BCDC, as applicable
October – December 2004	Community meeting(s) to - review reports from consultants/Port on parameters and requirements for redevelopment that are economically and regulatorily feasible - define desired development objectives for consideration by Port Commission for inclusion in a development RFP	Consultant/Port to begin further development feasibility analyses upon receiving community proposals for redevelopment concepts Legal analysis to advise Port and consultant team of public trust-related constraints and issues; coordinate with State Lands as applicable Port coordinates with San Francisco Planning Dept, Redevelopment Agency, and BCDC, as applicable
January - March 2005	SWAC public meetings to develop RFP goals and objectives, if applicable	Consultants/Port to complete development feasibility analysis Port staff to present final report and conclusions to Port Commission for further consideration Commence Developer RFP if so determined by the Port Commission

/1/ The schedule assumes March 2004 release of Port capital funds by the Board of Supervisors necessary to provide funding source for consultant team hired to conduct Pier 90-94 Backlands planning work. This schedule also assumes that consultant hiring is combined with the consultant hiring to support the Port's planning efforts for the Pier 70 area Although there are differences in the specific community interests and maritime requirements between the two planning areas, most of the types of expertise and analytical requirements to support each planning study are the same and, in fact, should be directly coordinated to ensure development of policies that are internally consistent.

/2/ This schedule assumes that the consultant team will be hired from the list of "pre-qualified" consultants currently available to the Port. Commencing a new consultant contract process is estimated to add 4-6 months to the schedule

PIER 70

Port staff also has been spending significant time to respond to needs in the Pier 70 area, including those associated with protecting the historic Union Works and Bethlehem Steel Buildings, which are in extremely deteriorated condition. Two of them, Union Iron Works Buildings 104 and 113-114 are unreinforced masonry buildings (UMB). In December 2003, the Port Commission approved a UMB ordinance to allow the Port more time find the means to preserve and rehabilitate these extraordinary structures, with additional provisions to ensure that life and public safety standards are upheld. Accordingly, the Port is closing and barricading Buildings 104 and 113-114 now. A full report on the mothballing effort, consistent with historic resource preservation standards, will be provided to the Commission in a separate report.

The intensive work to vacate the buildings highlights the need to renew efforts to get them rehabilitated, especially given the increased threat of vandalism, homeless encampments and security problems that occur in uninhabited buildings. In the meantime, the Port has been pleased and encouraged to receive expressions of interest from non-profit, government and institutional organizations in rehabilitating these and other Pier 70 historic buildings.

Unlike 2001, when the Port last tried to secure a developer to rehabilitate Pier 70's historic buildings, the economy has not recovered sufficiently to make for-profit redevelopment and rehabilitation of these buildings feasible. However non-profit, governmental and institutional entities often have access to fund sources that are not driven solely by current economic conditions, and can take a long-term approach to achieve development objectives. Thus, the Port believes there may be a unique opportunity to achieve preservation of some of the most historically valuable though most vulnerable buildings by making them available for redevelopment by non-profit, institutional or government entities. In addition, such entities offer the opportunity to create an anchor in Pier 70 that, if oriented to attracting the public to visit and appreciate the history of the area, would act as a catalyst for redevelopment and rehabilitation of other Pier 70 historic resources.

Pier 70 Area Planning and RFP: For such redevelopment to occur, the Port recognizes the need to develop a master plan for Pier 70, similar to the planning work currently underway for the Pier 90-94 Backlands. This point also has been made repeatedly by the Pier 70 Advisory Committee and interested citizens. Any redevelopment strategy for the Pier 70 area must be informed by a rational land use and site plan that is compatible with San Francisco Drydock and Port maritime needs and operations. It also must address how to achieve community objectives to clean up the environment, improve areas for public open space, public access and recreational water uses, as well as rehabilitate Pier 70's historic resources.

In the past two years, the Port has been closely involved with the San Francisco Planning Department's Central Waterfront Better Neighborhoods planning project, which includes Pier 70 within its scope of study. Much has been learned through that public planning

process and RFP process in 2001 about the land use and urban design opportunities for Pier 70, which establish a foundation for further work. **Figure 4** provides a diagrammatic summary of the key planning concepts identified through this previous work. With consultant team assistance, the Port proposes to build upon these previous efforts to define a master plan for Pier 70. It is expected this work will take about one year to complete once the Port has the consultant team on board.

Ideally, the area planning work would be completed prior to conducting an RFP process to invite development proposals. Unfortunately, the timeframe for area planning is not consistent with at least one of the non-profit entities expressing interest in Pier 70. Given the dire need for rehabilitation of the Bethlehem and Union Iron Works Buildings, and the timely opportunity to attract organizations that can create a catalyst for further redevelopment, Port staff has recommended that a Pier 70 Core Historic Buildings RFP be prepared, while the area planning work is underway. **Table 2**, below, presents a work program and schedule that lays out how the RFP and area planning process, coordinated with consultant hiring and assigned work tasks, can be achieved in a rational fashion.

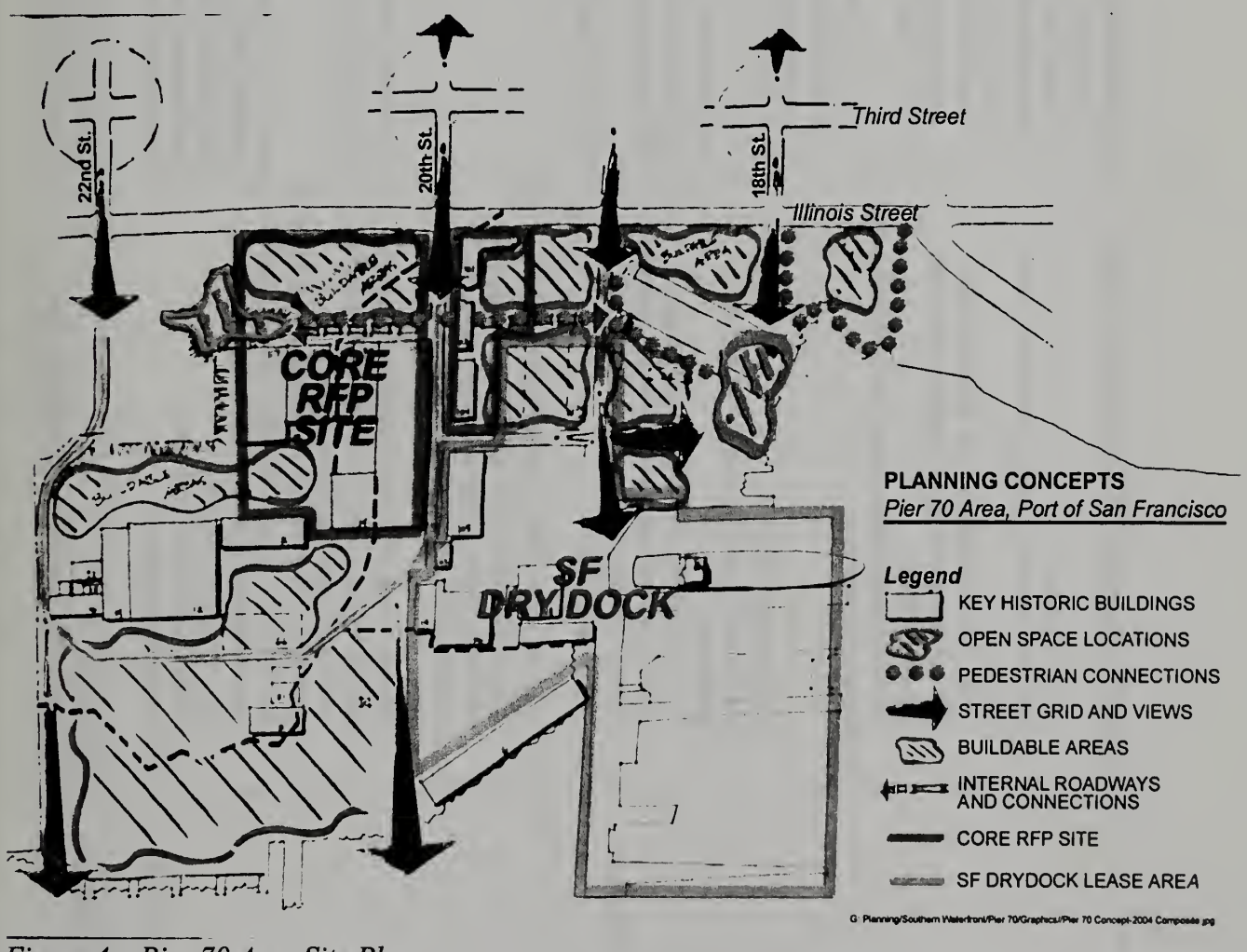


Figure 4 – Pier 70 Area Site Plan

TABLE 2: PIER 70 MASTER PLAN WORK PROGRAM AND RFP SCHEDULE

TIMEFRAME /1/	COMMUNITY REVIEW OR OUTREACH-RELATED	CONSULTANT – RELATED AND PORT STAFF WORK 1, 2	PIER 70 HISTORIC CORE BUILDINGS RFP
April to July 2004 /2/	Community meeting(s) to - Review Waterfront Plan policies - Review public trust issues - Review past site planning concepts identified through Central Waterfront Better Neighborhoods planning process and RFP development negotiation with AMB and Arts Consortium - Identify any new issues or planning options that could change the direction of past site planning work - Produce status report on community site planning concepts for Pier 70 that continue to have community support, and any issues to be further analyzed in the master planning process	Port commences process to solicit proposals from "pre-qualified" prime consultants managing an interdisciplinary team to conduct Pier 70 master planning work. Consultant team anticipated to be on board in July 2004. Port engages SF Drydock regarding potential changes in leasehold boundaries	RFP is issued and development proposal responses are received
July – September/October 2004	Community meeting(s) to - introduce consultant team to the community, - inform the Port/consultant team of any additional community objectives and issues for further assessment - provide update on RFP process, review of proposals, outcomes Community meeting(s) to - report consultant assessments to community, as they become available - identify desirable land uses, taking into account initial consultant assessments that have been presented - provide opportunity for RFP Developer to meet with community UNDER CONSIDERATION: To assist in the effort to	Consultant team reviews past site studies Legal analysis to advise Port and consultant team of public trust-related constraints and issues; coordinate with State Lands as applicable Urban Design/Transportation consultants - assess prior community site planning concepts (view corridors, street & path alignments, open space locations, infrastructure alignment, etc) Historic Architect to - review past historic resource surveys and reports - identify groupings of resources associated with different eras of Pier 70's history; and key individual historic resources - identify key historic rehab opportunities for types of new uses (This work not expected to be completed before	Review of development proposal responses, with assistance from economic consultants Developer selection and award of exclusive rights to negotiate a Development Agreement with the Port Developer meets with Port and Master Planning team to integrate planning concepts, identify needs that could affect the other

	identify potential land uses, as well as to increase awareness within the development community of the Pier 70 area, hold public workshop with participation from the development community to identify economically viable development concepts which could be evaluated in the master plan analyses	October) Engineering consultant to - conduct initial assessment of environmental and infrastructure conditions to begin identifying needed improvements - develop framework for providing consultant team and the Port with information regarding structural condition/rehabilitation potential of historic resources Economic/Maritime consultants to - review Port's Maritime/Industrial study and cargo forecasts and recent updates from Port maritime staff to assess land needs - conduct market analysis to determine other potential opportunities Port coordinates with San Francisco Planning Dept and BCDC, as applicable Port completes discussions with SF Drydock regarding potential changes in leasehold boundaries	
October – December 2004	Community meeting(s) to - review work products from Historic Consultant - initial reports from Engineering, Economic, Legal consultants/Port on requirements for feasible redevelopment (from a financial and regulatory perspective) - define redevelopment concepts for further feasibility analysis by consultant team - update on Developer study findings	Consultant/Port to begin further development feasibility and regulatory analyses upon receiving community proposals for redevelopment concepts Historic architect to complete research of Pier 70 historic resources and labor history Legal analysis to advise Port and consultant team of public trust-related constraints and issues; coordinate with State Lands as applicable Port coordinates with San Francisco Planning Dept and BCDC, as applicable	Developer conducts "due diligence" investigation and analysis to inform/refine development proposal Developer and Consultants review information developed to inform each other of findings and constraints
January - March 2005	Community meeting(s) to review Port/consultant	Consultants/Port to complete development feasibility	Developer completes due

	development feasibility analysis (in March), provide community input to redevelopment potential	analysis Historic Architect produces preliminary draft of National Register historic district/individual resource nomination Consultants/Port refine feasibility analyses, as applicable, in response to community review of redevelopment concepts Legal analysis to advise Port and consultant team of public trust-related constraints and issues; coordinate with State Lands as applicable Port coordinates with San Francisco Planning Dept and BCDC, as applicable	diligence
April – June 2005	Community meeting(s) to - refine development options to define a Pier 70 master plan - receive presentations regarding historic district nomination proposal	Port coordinates with San Francisco Planning Dept, State Lands and/or BCDC, as applicable	Complete negotiation of Development Memorandum (financial terms, agreements that form basis for future Obtain Port Commission approval of Development Memorandum between the Port and Developer
July 2005		Port, Developer, meet with State Lands, BCDC, as needed, to clarify Trust consistency issues	Commence Project design review, and CEQA review

FOONOTES:

/1/ This work program covers the work to develop a Pier 70 Master Plan The schedule assumes March 2004 release of Port capital funds by the Board of Supervisors necessary to provide funding source for consultant team hired to conduct Pier 70 master planning work and to evaluate development proposals received in response to the Port's issuance of the RFP. This schedule also assumes that consultant hiring for the Pier 70 is combined with the consultant hiring to support the Port's planning efforts for the Pier 90-94 Backlands Plan. Although there are differences in the specific community interests and maritime requirements between the two planning areas, most of the types of expertise and analytical requirements to support each planning study are the same and, in fact, should be directly coordinated to ensure development of policies that are internally consistent.

/2/ This schedule assumes that the consultant team will be hired from the list of "pre-qualified" consultants currently available to the Port. Commencing a new consultant contract process is estimated to add 4-6 months to the schedule

Required Consultant Assistance and Funding: Like the Pier 90-94 Backlands planning work, Pier 70 planning work relies on the release of funds from the Board of Supervisors. While many of the specialties and tasks of the consultant team are the same as those required for the Pier 90-94 Backlands, the Pier 70 planning dictates the need for a substantial amount of work to be prepared by an historic architect to complete surveys and analyses of these resources. Additional consultant assistance would be needed to assist the Port in evaluating proposals received in response to the Pier 70 RFP and for developer negotiations.

Similar to the Pier 90-94 Backlands, the area planning work does not include CEQA environmental review analysis. The primary intent of this effort is to test and define a strategy for future improvement projects that, if viable, will attract redevelopment proposals which will undergo CEQA environmental review at that time.

CONSULTANT HIRING

As reflected in the work programs for both the Pier 70 and Pier 90-94 Backlands planning efforts, the timeframe and scope required from the consultant team are very similar, except for the historic resources work that is specific to the Pier 70 planning program. Moreover, the analysis of land needs to serve current and future maritime industry activities is likely to identify cross-implications between the two areas that require close coordination. For these reasons, the Port plans to seek the services of one consultant team to carry out the prescribed work from both areas, with combined estimated costs as presented in **Table 3** below.

Once funding is secured, the consultant solicitation and hiring process can commence and is expected to require three to four months. The Port plans to solicit proposals from a list of pre-qualified lead consultants, who would be responsible for assembling and managing a multi-disciplinary team of sub-consultants qualified to conduct the prescribed work. This contracting process is expected to take about three months, 4-6 months shorter than if the Port had to begin a new contracting process.

TABLE 3: Estimated Costs for Consultant Services

Work Performed	Pier 90-94 Backlands	Pier 70	Sub-total and Total Costs
PLAN DEVELOPMENT Feasibility Analysis (Economic, planning/land use, maritime, engineering/infrastructure, urban design & transportation)	$150,000	$150,000	$300,000
PLAN DEVELOPMENT Historic Resources Analysis, Preparation of Historic District Nomination	NA	$150,000	$150,000
PLAN DEVELOPMENT Legal Assistance to Port General Counsel (Analyze public trust and related issues)	$ 50,000	$ 50,000	$100,000
RFP-RELATED Evaluate RFP Proposal Responses	$ 20,000	$ 20,000	$ 40,000
RFP-RELATED Development Negotiations Assistance	$ 30,000 (or more)	$30,000 (or more)	$ 60,000 (or more)
TOTAL	**$250,000**	**$400,000**	**$650,000**

Submitted by: Diane Oshima
Deputy Director, Waterfront Planning

PORT OF SAN FRANCISCO

MEMORANDUM

March 3, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation: Bayview Hunters Point Center for Arts and Technology (BAYCAT) Youth Video: Hunter's Point Heroes

The Port spends a great deal of time working with the Southern Waterfront community to address leasing, planning, maritime, environmental and other issues related to Port operations. In the process, Port staff has greatly expanded its understanding of issues that concern the community both on and off-Port lands, and the Port's relationship with the rest of the City at large. In this regard, the Port's advisory groups, the Pier 70 Advisory Group, the Southern Waterfront Advisory Committee and the Maritime Commerce have been instrumental in providing a network through which staff is able to connect with the community, and meet many wonderful organizations.

One of those organizations, BAYCAT, Bayview Hunters Point Center for Arts and Technology, has become a neighbor within the Pier 70 area. BAYCAT works with adults and youth, especially in the Bayview Hunters Point neighborhood, providing them with education and training in arts, technology and related fields to foster creative growth and support for future employment opportunities. As part of their activities, nine middle and high school youth film and produced a movie, entitled *Hunters Point Heroes*, which will be presented to the Commission and public on March 9th. This production not only features special individuals and their contributions, but also represents the positive developments that can be achieved by a community that works together.

Submitted by: Diane Oshima
Deputy Director, Waterfront Planning

This Print Covers Calendar Item No. 5C

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SAN FRANCISCO
PORT COMMISSION

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MARCH 9, 2004
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
MARCH 9, 2004

1. ROLL CALL

Commission Vice President Michael Hardeman called the meeting to order at 3:15 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon and Sue Bierman. Commissioner Hsu arrived at 3:25 p.m.

2. APPROVAL OF MINUTES - February 24, 2004 Meeting

ACTION: Commissioner Brandon moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; the minutes of the February 24, 2004 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

- 2003 Combined Charities Campaign: The Port of San Francisco received a Certificate of Award from the Mayor's office for being the third highest large department in participation. In 2003, the Port contributed $21,139. Sixty-nine employees contributed towards this year's campaign (approximately 30% of staff). Mr. Wong thanked Port staff for their generous contribution to the campaign.

- CA Preservation Foundation Award for the Ferry Building Rehabilitation Project: The Ferry Building Rehabilitation Project received its sixth award at the California Preservation Foundation's (CPF) 21st annual Preservation Design Awards held in San Diego on February 28th. The Ferry Building Project was one of 15 California projects selected by a six-member jury of historic preservation professionals to receive the CPF 2004 Design Award.

  The Port and fellow members of the Ferry Building project team, including Chris Meany of Equity Office Partners, SMWM Architecture, Page & Turnbull, Historic Preservation Architecture, and BCV Architects were each recognized with award certificates. CPF is a statewide non-profit historic preservation organization that is based in San Francisco. CPF works closely with federal, state and local governmental agencies, and historic preservation organizations throughout California to promote historic preservation advocacy, education and public policy. The CPF Design Awards Program is held annually in February along with a statewide Conference in April. This year's conference will be held at the Presidio and will feature numerous mobile workshops that will include the Northern and Southern Waterfront, as well as the Ferry Building.

- Close of Escrow and Start of Construction for the initial phase of the Bryant Street Project on a portion of Seawall 330: The close of escrow has occurred on the first phase of the Bryant Street Project. The Bryant Street Project will be constructed in three phases and involve a condominium tower on a portion of Seawall Lot 330, a cruise terminal and mixed use development on Piers 30-32, and a new waterfront park, the Brannan Street Wharf, on the site of the former Pier 34 and Pier 36.

  The first phase consists of a transfer of a 22,600 square foot portion of Seawall Lot 330 from the Port to the developer, San Francisco Cruise Terminal LLC (or SFCT). Immediately after the escrow on March 2nd, the developer began construction of a 136-unit condominium tower which will be known as the Watermark. 16 of these units will be earmarked as below-market rate units. Construction should last until the end of 2005. The land sale and portions of the sale proceeds from individual condo units will be held by the Port and applied toward the cost of developing Piers 30-32 and the Brannan Street Wharf.

  The second phase will be further design and eventual construction of the Brannan Street Wharf, which will be directly south of Piers 30-32. Nine million dollars from the sale of that portion of Seawall Lot 330 will partially fund this project. Per our agreements with the developer, SFCT will commence construction of the Wharf once there are sufficient funds to undertake this $15 million project. Construction is anticipated in either late 2005 or early 2006.

  The third phase of the Bryant Street Project involves construction of the James R. Herman International Cruise Terminal and Mixed-Use Project on Piers 30-32. Upon satisfaction of certain conditions, the Port will deliver a Lease to SFCT for construction and operation of the Cruise Terminal Project. The commencement of this third phase is dependent upon recovery of the San Francisco office market, which is expected to occur between 2005 and 2008. Construction will take approximately three years. Following completion of the Cruise Terminal Project, SFCT will operate and maintain the project pursuant to a 66-year lease.

  In anticipation to these significant and dramatic changes to the waterfront, Mr. Wong has instructed staff along with SFCT to brief the cruise lines of these improvements and to continue to aggressively market San Francisco as a destination and to increase the opportunities for home berthing. The Port has been successful in increasing the number of cruise ship calls, and is on pace to set a record for the number of cruise ships calls in 2004. It should generate significant revenues and jobs to the City. The development of a new state-of-the-art cruise terminal will only add to the Port's success. The Bryant Street Project has been a long time coming, but the project is starting to coming to fruition, as represented by this first phase construction. Mr. Wong thanked the following departments of the Port: Maritime, Real Estate, Planning & Development and Legal as well as all the employees involved in the project. He also thanked the Commission for getting this project underway. The cruise terminal will be a landmark for San Francisco.

  Pursuant to Commissioner Hsu's request to review the Port's organizational

structure, Mr. Wong has instructed Joel Robinson, Director of Administrative Services, to prepare a Request For Proposals to hire an outside consultant to evaluate the Port's current organizational structure using best practices and to make any recommendations necessary to update the Port's organizational chart and improve efficiencies. At the March 23rd Port Commission meeting, staff will seek Commission's approval to issue the RFP.

4. REAL ESTATE

A. Request for approval of Second Amendment to and Restatement of Lease No. L-12175 with Hornblower Yachts, Inc. for Real Property and Exclusive Berthing Rights at Pier 3.

Request for approval of Second Amendment to and Restatement of Lease No. L-10421 with Ferryboat Santa Rosa Partners, Ltd. for Real Property and Exclusive Berthing Rights at Pier 3.

Approval of an Amendment to and Restatement of Lease No. L-12501 with Hornblower Yachts, Inc. for Real Property and Exclusive Berthing Rights at Piers 31-½ and 33 (Resolution 04-16).

Asset Manager Nic Dempsey noted that this item was continued from the previous meeting. In March 2003, the Port Commission approved a Lease Disposition and Development Agreement (LDDA) and lease with San Francisco Waterfront Partners (SFWP) for the historic renovation and redevelopment of Piers 1-½, 3 and 5. The transaction is set to close tomorrow afternoon. Construction will commence almost immediately. As a condition precedent to the close of escrow, SFWP have requested certain modifications to the existing leases of Hornblower Yachts and the Ferryboat Santa Rosa and needed both to physically accommodate the rehabilitation of the piers and to provide additional parking and other amenities needed for the project. In consideration for their agreement to make the modifications, Hornblower has asked for certain changes and additions to its lease, most significantly of which is a single additional rent credit for the relocation of an electrical transformer to accommodate Hornblower's public access improvement obligation. Hornblower has asked for a possible extension of term following completion of their nearly $8 million substructure repair obligation should the Port determine that the life expectancy of the pier will go beyond the termination of their lease. Hornblower also asked for other minor modifications that relate to their operation and the operation of the Piers 1 ½, 3 and 5 project. Port staff has negotiated the terms of the lease amendment with Hornblower Yachts for their Pier 3 lease, a lease amendment with Hornblower Yachts for their Pier 31 lease allowing them to remain in business primarily during the construction of the new Piers 1-½, 3, 5 project and the substructure repairs at Pier 3 and a modification of the lease with the Ferryboat Santa Rosa Partners accommodating the needs of the rehabilitation of Piers 1-½, 3 and 5. Port staff believes that all the amendments are in the best interests of the City and the Port.

Commissioner Hardeman commented that at the last meeting, the Commission had a

problem with a certain paragraph on the staff report. The problem was resolved with the Commission's satisfaction. The Commission feels comfortable with the lease.

Mr. Wong thanked Port staff and Simon Snellgrove for all their efforts on this project.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-16 was adopted.

5. PLANNING AND DEVELOPMENT

A. Informational presentation from Port Sign Committee: Proposed variance from Ballpark Sign Guidelines to allow blinking or intermittently lighted sign at SBC Park, Lefty O'Doul gate.

Port Planner Dan Hodapp indicated that the San Francisco Giants changed the name of the Ballpark from Pacific Bell Park to SBC Park at the beginning of this year. The name change necessitated installation of new signage throughout the ballpark. All of the replacement signage will mirror the original signage except for a larger, animated neon sign proposed at the Lefty O'Doul Plaza entry gates. The San Francisco Giants believe that the existing signage at this gate is inadequate and does not properly serve this ballpark entrance.

Almost half of the ballpark patrons enter through the Lefty O'Doul plaza due to its proximity to parking south of China Basin Channel. The plaza currently has an unfinished feel due to the Giants not constructing an originally planned office building adjacent to the plaza, minimal site furnishings, and a relatively small entrance sign. The proposal is to construct what the Giants describe as a properly scaled entrance sign to improve the aesthetics and popularity of the plaza and entry gate.

The proposed sign at Lefty O'Doul gate would be a freestanding sign over the three entry turnstile areas reaching a width of 47-feet and a height of 40-feet. The existing sign only spans one of the three sets of turnstiles and is about 20-feet wide and 19-feet in height. The sign would feature the words "SBC Park" along the top and "Home of the San Francisco Giants" at its base. The language and text style of the sign will mirror that used for the other ballpark entry gates. In addition to the text, the sign will feature an animated neon graphic of a baseball splashing into the water, a common theme of signage throughout the ballpark. In addition, the image of a harbor seal (currently the Giants' mascot) appears diving in an out of the water throughout a typical sequence. The animated graphic is proposed to repeat about every eight seconds.

The Ballpark Sign Guidelines prohibit the use of "electrical or illuminated signs [that] blink or [are] intermittently lighted." Because portions of the animated neon graphic element of the proposed sign would light in sequence to depict the baseball splashing into the water, the proposed sign would require a variance from this restriction. The Ballpark Sign Guidelines provide a variance procedure whereby the Port Sign

Committee may grant a variance from the Guidelines if required findings are met. The Port Sign Committee is comprised of staff members from the Real Estate, Engineering and Planning & Development divisions of the Port.

Because of the height of the proposed signage and because animated or "blinking" signs are prohibited by both the Ballpark Sign Guidelines and the Port Sign Guidelines applied to all Port property, the Sign Committee requested that the Giants present the proposal to a number of agencies and neighborhood groups that have in the past expressed interest in the appearance and function of the ballpark, including: the San Francisco Planning Department; the San Francisco Bay Conservation & Development Commission; the San Francisco Redevelopment Agency; the Rincon Point/South Beach Citizen's Advisory Committee; Catellus Corporation, including new homeowners at the Glassworks condominiums on Third Street; China Basin Landing management on Third Street; and a representative from the Mission Creek Houseboat Association. This informational presentation invites broader community review and comment on the requested variance. The Sign Committee will consider the comments of the citizens and public agencies prior to taking an action on the variance.

Thus far, the Giants have presented their sign proposal to the various public agencies and citizen groups listed above. The proposed sign structure has been positively received by many of those who have seen it. One common issue that has arisen in all of the discussions is the planned hours and days of the animation. Generally there is a call to limit the animation to game days or other major special events, and to have the animation end after a game. The context for this request is the observation that the blinking movement of the lighted sign will attract the eye and that some periods of relief are desired by area residents and regulatory agencies concerned with the quality of open space areas near the Bay. When the animation is not functioning, the other portions of the sign could remain illuminated, including a static image of the baseball splashing into the water.

The nature of the ballpark and its use presents an exceptional circumstance that is not typical of Port property in general. The scale and the civic nature of the ballpark, combined with the fact that this type of animated, lighted signage is typical of ballparks, both modern and historic, combine to present a unique circumstance that is not found in other Port properties. The graphic element of the sign illustrates one of the ballpark's best-known and most celebrated features – the "splash hit" of a homerun into McCovey Cove – a graphic reference to the ballpark's waterfront location with the City. The proposed animation attracts attention to the sign greater than a static neon sign, which may enhance the appearance of the Lefty O'Doul plaza and its function as a major event entry gate and is appropriate for the ballpark's unique use both along the waterfront and to the City. However, the animated sign's enhancement of the plaza is primarily effective when it is in use for an event. Because the animation will attract a greater amount of visual attention than what was otherwise perceived in the Ballpark Sign Guidelines and based upon the public comments received at this point, the Sign Committee's approval of the requested variance will be conditional and is proposed to be limited to days when games are played at the ballpark or other major public events.

Corinne Woods, member of the Mission Creek Harbor Association and vice chair of the Mission Bay Citizens Advisory Committee, indicated that they have worked with the Giants from the very beginning of the planning process. Mr. Bair had asked her to look at the power point presentation and solicited her comments. She then communicated through email with several homeowners of the Glassworks Condominium Association and other members of the Rincon Point South Beach CAC. The consensus was that it's a beautiful sign and it's a lovely piece of neon art. They all agree that there should be time limits on the animation. She appreciates Mr. Hodapp's suggestion of limiting the animation to days when games are played at the ballpark or other major public events. However, there ought to be a good neighbor policy, which she has stressed with the Giants through the Rincon Point South Beach CAC and the Mission Bay CAC for many years. She suggested stopping the animation at 10 p.m. even if the game is not over because people are not going to continue to come to the ballpark. The 10 p.m. time would work out for the people who live in the Glassworks Condominiums to they won't have to necessarily keep seeing the animation time after time. She knows that staff will work on a mutually agreeable time. While the Giants do a lot of smaller corporate events at the ballpark, most of which aren't entered through the Lefty O'Doul plaza but rather at King Street. Animation is not appropriate at the Lefty O'Doul gate if the event is focused on King Street and entrance isn't through the Lefty O'Doul plaza.

Beth Green, Glassworks Condominium Resident, indicated that the condominium is located opposite on the corner, immediately at the level of the proposed sign. They are just a few individuals compared to huge numbers of people with particular interest. She does not believe that consensus has been entirely represented. Her neighbors are extremely concerned about the size, the nature, the obstruction and especially the animation and its hours of operation. From her apartment, there is a direct view line of sight from their bedroom, living room, and kitchen. They are just a handful of people but pleaded for everyone to understand their situation. They have invested quite amount of money. This is their lifestyle. They've rearranged their lives in the peninsula to live here because they feel this area is a magnet. Being Giants fans, they intend to purchase season tickets to entertain and appreciate the whole neighborhood. The stadium drew them here. The design is spectacular just like the Ferry Building marketplace. Their visitors were impressed and would like to live here too. She invited appropriate parties to come take a look at the sign from her apartment and make a reasonable judgment of the size, the nature of the sign, the illumination, and the hours of operation. She asked people to understand where they're coming from and how it will affect their lifestyle.

Jack Bair, Senior Vice President of the San Francisco Giants, indicated that he and Port staff have been working on this project since mid-December. The ballpark is entering its fifth year in operation. It's a celebrated ballpark and they have always wanted to do their best to improve and make it better. That part of the ballpark is underdeveloped and undefined; the entry sign is very small due in large part of the Giants not constructing an originally planned office building adjacent to the plaza. The Lefty O'Doul plaza has no shape or form to it. They have engaged their designers and

architects to come up with a solution that would make it a more appealing public gathering place and presented it to the Port. Port staff suggested that they present their proposal to the community. Over the last three months, they have convened innumerable number of meetings with everybody who had expressed an interest in the proposed sign. They have received pretty much unanimous support for the concept of the sign. The feedback they received was also consistent. There was a desire that conditions be placed on when the animation will occur. They are currently working with the Port and they welcome reasonable conditions placed when the animation occurs. The ballpark is a 170 feet high above the sign. The top of the SBC lettering is 35 feet. It is appropriately scaled. It is smaller than the other entry signs at Mays Plaza. It's design to be the right height, the right scale to meet the plaza. They have also spent a lot of time with the neighborhood. They won unanimous support from the Rincon Point South Beach CAC which they have worked with since 1997 to ensure that the park is neighborhood friendly. He understands the citizen's concern about making sure that her situation is not negatively impacted. The conditions can satisfactorily meet that concern because there will be 42,000 people in the ballpark during game days and they all leave the ballpark after the game. The sign is appropriately scaled. It's whimsical and will be very popular with the fans. It was designed in part with the neighborhood in mind. They made sure that it would not be an eyesore but it would be something that people will really celebrate. That's the consensus of everybody they have spoken with to date.

Commissioner Hsu mentioned that he likes the sign and it's very attractive. Commissioner Hardeman commented that it is a very interesting sign. When he first heard about the sign, accommodations have been made to cut down the illumination to satisfy the neighborhood's concern.

Commissioner Hardeman noted that there were a lot of people who were opposed to the Coca Cola sign. The Port did not get one complaint since it was installed. Everybody loved it.

B. Informational Presentation: Status Report on Southern Waterfront Planning.

Diane Oshima, Assistant Deputy Director of Planning & Development, indicated that staff spent a lot of time doing planning work at the southern waterfront. Staff has also received and responded to an inquiry from the Board of Supervisors about the status of planning in the southern waterfront area. The Commission's staff report and the report to the Board are fairly similar. The report to the Board is more detailed. The southern waterfront area proper as identified in the Waterfront Land Use Plan (WLUP) starts from Pier 70 to India Basin. It was recognized for the fact that's where the mainstay of the Port's remaining industrial maritime industries are located. The primary centers of activity are Pier 70, home of the ship repair industry and Pier 80-96 maritime complex, made up of the Port's various marine terminals, industrial transportation systems and support areas for container and non-container cargo shipping. The WLUP policies recognize that the majority of this area is designated for existing or expansion of future maritime uses. Other development opportunities around need to respect that but recognize that there are opportunities for non-maritime development, open space,

public access and public benefit improvements as well. The WLUP also recognizes that because large tracts of these lands are not needed for development now for maritime expansion purposes that the notion of interim uses in these areas was critical to the Port's ability to meet its financial and economic requirements for the waterfront overall and for that purpose provides policies that allow the Commission to lease property for interim purposes until it's needed for the maritime needs. The situation of having undeveloped, unimproved or underimproved lands in both the Pier 70 and Pier 90-94 backlands area in particular have generated a lot of community concerns about the quality of life and impact on the surrounding neighborhoods. They have heard from both areas concerns about the blighting kinds of influences of having unimproved properties. In the Pier 70 area, where there is a special collection of historic resources, there is an interest to rehabilitate those buildings. Most people see that development is part of the formula to accomplish that. There are various environmental justice and environmental clean up issues in the southern waterfront that many in the community has brought to the Port's attention. There's general respect and support for the two cores of our maritime shipping and ship repair industries in the area. There's a respect on trying to come up with something that doesn't undermine or inhibit the Port's ability to pursue those industries. There's also a lot of question about the regulatory environment, what is allowed under the Burton Act, public trust and how that impacts the redevelopment ability or potential of the areas, both Pier 70 and the backlands. For that reason, in various modes, staff has received lots of input from the community of the need for the planning for these areas. Staff has been making continual attempts to try and nick away at the planning agenda, particularly focused on the Pier 90-94 backlands in order to fit within the overall Pier 80/96 maritime terminal complex. Staff wanted to make sure that the Illinois Street Bridge project is something that is integral to that planning. There have been a number of various interagency City efforts that happened in the past trying to solve this question about what should be happening on Port lands in concert with what should be happening on other surrounding lands off of Port property. For various reasons, those efforts did not go forward. In response to the community's concerns, the Port reinitiated the planning process in March 2003 to identify from a community and Port standpoint a set of reasonable development options for the backlands area and to see if funds would be available to hire consultants to evaluate the feasibility. The ultimate objective was to try for a development RFP process for the backlands area. Because of a number of issues, there were major feasibility questions that needed to be answered before going through the RFP process.

Between March 2003 and February 2004, there was quite a bit of work done through the SWAC committee, the Maritime Commerce Advisory Committee, Southern Waterfront community, the India Basin residents, the Bayview Hunter's Point PAC, Bayview Hunter's Point residents and various organization that have attended numerous workshops in the area. They have gone through an education process about the Port's policies today, what public trust doctrine applies to this area that they have to pay attention to and what maritime businesses exist today that have potential for future growth in the area. They have also talked about the environmental conditions of the area. It's a former city dump. There's a lot of environmental and remediation issues that will come up in any redevelopment plan for the area. There has been a lot

of focus on how to handle stormwater runoff. When it rains, that stormwater will go into the City's combined sewer system and probably end up at the Southeast Water Pollution Plant for processing. There is opportunity in the backlands to come up with an alternate form of a stormwater management system that does not put increased pressure on the southeast facility. There's quite a bit of work done to identify what would be required to introduce that into the Pier 90/94 area. The conceptual studies that have been done so far have pointed out that it's feasible. Staff is carrying that forward in the planning process and has briefed the community as well. Staff went to the community and asked them what they see are the needs for the area. They took various comments and objective statements from the community which confirms that the Port's current policies for the southern waterfront as they pertain to the backlands are still sound. However, people want to see that new development incorporates environmental fixes to some of the problems and enhances the area. There were lots of concerns about making sure that there are community benefits and a consideration of overall neighborhood quality of life issues. There were lots of concerns about the need to introduce safe waterfront open spaces and public access that are meaningful to the community and to provide innovative business opportunities within a new development opportunity. To the extent that interim uses are going to be part of the program for the area require that they also provide some kind of community benefit. In that process of recognition of the challenges to try to come up with development that is economically feasible and yet there is an understanding that it does have to be economically feasible. Money to fund this effort will not fall from the sky. Staff has also heard about a lot of concerns about the interim uses that have been located in the backlands area. As a follow up to that, a significant amount of time was spent with drafting guidelines to help staff focus on what interim uses minimize or avoid those kinds of neighborhood impacts. The interim leasing guidelines will be presented to the Commission in the future for consideration. All three of the Port advisory groups have reviewed and supported the interim guidelines. Based on all that work, staff took those ideas and input from the community and came up with development concepts that set the parameters for the development that's compatible with and enhances the maritime industries that improves the area from a neighborhood, beautification standpoint and provides economic and business opportunities for the community which fits in with the City.

Last week, Commissioner Brandon attended a community workshop where staff unveiled the development concepts with the southern waterfront community and it was very well received. The development concepts entail the backlands area itself. Pier 90/94 is seen as an opportunity for warehouse-based complex. In the maritime studies, staff found a dearth of quality warehouse space in the City which maritime businesses really need. Pier 90/94 is an ideally situated area to be developed for cargo handling or distribution. It is also ideal for interim general industrial uses that can generate an economic stream while it's not being used for maritime purposes and be an improvement along Cargo Way. It will marry well with the rail yard along Cargo Way. It lends itself to another set of improvements of expanding landscaping and greening of the gateway to Bayview Hunter's Point at Third and Cargo. Staff will work with the Redevelopment Agency to create a greenway to Heron's Head Park and beyond. With the Third Street Light Rail, there might be an opportunity to create a community space

for meetings and programs along Third Street near Cargo Way. Spaces to be used for community meetings could be run by a non-profit or other programs that could meet certain community needs that are not being accommodated in current facilities. In terms of the transportation and waterside improvements, the Pier 90 wharf must be repaired to restore vessel access. There is an opportunity to support either maritime vessel, barging, berthing or possible future water taxis or ferries. There's also a space to accommodate a space for the Port's maintenance. The Amador Street must be improved and construct its extension from Pier 92 to Pier 94-96. The development concept was presented to the southern community last week and they were receptive and supportive of it. There were no critical comments from the public but there will be more meetings to solicit comments from people who weren't able to attend. Staff feels confident to undergo feasibility analysis. In order to do that, staff requires consultant assistance. Port staff has been working very hard and it has been a rewarding process. All the departments have worked together to get to this point. To be able to carry the ball forward, staff proposes that Port seek a release of funds currently on reserved by the Board of Supervisors to hire an interdisciplinary team of consultants to do the feasibility analysis and develop an RFP. It would also entail additional legal services to supplement the Port's legal team because of a number of public trust questions that can emerge that exceed the staff's resources.

Port staff has also been spending significant time to respond to needs in the Pier 70 area with the help of the Pier 70 Advisory group, including those associated with protecting the historic Union Works and Bethlehem Steel Buildings which are in extremely deteriorated condition. Two of them, Union Iron Works Buildings 104 and 113-114 are unreinforced masonry buildings (UMB). In December 2003, the Port Commission approved a UMB ordinance to allow the Port more time to find the means to preserve and rehabilitate these extraordinary structures, with additional provisions to ensure that life and public safety standards are upheld. Accordingly, the Port is closing and barricading Buildings 104 and 113-114 now. A full report on the mothballing efforts, consistent with historic resource preservation standards, will be provided to the Commission in the near future. The intensive work to vacate the buildings highlights the need to renew efforts to get them rehabilitated, especially given the increased threat of vandalism, homeless encampments and security problems that occur in uninhabited buildings. In the meantime, the Port has been pleased and encouraged to receive expressions of interest from non-profit, government and institutional organizations in rehabilitating these and other Pier 70 historic buildings. While the economy has not recovered, staff believes that a potential exists for a nonprofit or institutional organization that does not rely solely on the market cycle. Staff believes that it's worth taking a shot at letting out an RFP for core historic buildings in the Pier 70 area. The institutional organizations expressed the need for a campus-like setting if there will be a pioneering development in the area so as not to be isolated in the middle of unimproved area. Staff has identified Pier 70 as a potential RFP site specifically for the purposes of getting somebody to save the buildings. It's not the ideal fit in terms of going forward with an RFP at this time but staff is doing it in response to the urgency of the deteriorating condition of those buildings. Staff would have like to finish area planning for the entire Pier 70 area before sending out an RFP but the timing of those things are not in synced with each other. This has been

discussed with the Pier 70 Advisory Committee. They are very concerned that the Port is going forward with an RFP in advance of completing an area plan process. Staff feels that there has been quite a bit of area planning done in previous efforts through the Central Waterfront Better Neighborhood's Planning Process that the Planning Department sponsored a year ago. Staff learned a lot of what the site planning opportunities are for Pier 70. Staff feels confident to do a parallel process of running the RFP and an area plan process at the same time where a developer team can inform each other and in the process make the area plan better. Staff is at the beginning of the area planning for Pier 70. It too will require consultant service assistance. A multi-disciplinary consultant team would be able to assist staff in analyzing the opportunities and constraints of both areas so if there are conflicts between the two, there will be an opportunity to resolve them and come up with a product that makes sense for both the areas separately and together as well.

Ms. Oshima pointed out that the Pier 70 Advisory Committee expressed the need to expand the membership of the committee. Staff concurs with the committee's suggestion to expand the membership to bring constituents to the north that may have interest and comments about Pier 70. They were also concerned about doing the area plan for Pier 70 and not taking a look at what's going on in Mission Bay and its cross implications.

Commissioner Hsu thanked Ms. Oshima for a well-prepared presentation.

Corinne Woods, Pier 70 Advisory Committee member, indicated that they were initially reluctant to look at the possibility of a simultaneous RFP and area planning because they felt that an RFP in a vacuum was not the way to go. However, as long as the master planning process is done simultaneously with the RFP for the core buildings, they could live with it. It is critically important that the master planning get started right away as it is not right to go forward with the RFP for the core piece without figuring out what the uses are going to be all around it. They will be meeting on Monday and will start looking at the RFP. They will look at the overall master planning and the context of what was done with the previous Pier 70 RFP. She strongly urged the Commission's help in getting the funds released from the Board of Supervisors. The money is needed to move forward with the planning process. The Board was very reluctant to release that money until they saw that the planning process was going forward. The report to the Board of Supervisors is reassuring and it gives a sense that the Port and its staff are committed to going forward with the entire program. With regard to the Pier 70 issues, the vacant UMB buildings need to be rehabilitated and doing an RFP would ensure that happens and the only way to do the RFP is to do the master planning. She thanked the Commission for their support.

C. Informational Presentation: Bayview Hunter's Point Center for Arts and Technology (BAYCAT) Youth Video: Hunter's Point Heroes.

Diane Oshima, Assistant Deputy Director of Planning & Development, introduced Villy Wang, director of the BAYCAT organization. BAYCAT is a great community organization that has done great work.

Ms. Villy Wang was delighted that the students are allowed to tell their story of the evolution of BAYCAT. Thanks to many people like Commissioner Brandon and their predecessors, BAYCAT had a long history. They found a home in the Pier 70 area. They are neighbors to the Port land. They, at BAYCAT, believe that everyone has the potential to contribute to society. They believe that everyone should have the opportunity of all the best things that life has to offer. BAYCAT also believes that it's important to bring people together, not just students but resources such as funders, corporations, the art world, the education world together, in a nexus whereby providing a beautiful learning environment allowing people to reach their full potential. Over the course of the many years of the development of BAYCAT, they have piloted two very successful programs, the first was in digital photography with Hewlett Packard and the SFMOMA. The second was a program that was the first of teaching middle and high school students how to make a film. Over the course of 19 days last summer, they made a preview to documentary film. They believe that the reason they thought film and media were important was to give the young people in the underserved communities the opportunity to reach their potential. There are many gaps in the education system that have to be bridged. Importantly, the intersection of arts and technology won very much in particular. In providing an opportunity for these students to learn how to make a film, there are many goals that were reached: (1) to build their own self-esteem and (2) to build the self-esteem of their own neighborhood because the film or the media becomes a tool for them to be able to tell their own stories, the things that are important to them within their own neighborhoods. In the media, every time we open the paper and see articles about the underserved communities, more often than not, they're negative. It's very difficult for people to build self-esteem let alone redevelop a whole community if everybody is feeling terrible about it. These are all conclusions that they came up with as a group over the course of the summer. As a result, the topic that the students came up with was who their heroes were going to be and ultimately produced the Hunter's Point Heroes. The students did everything – story boarded the whole thing, wrote about it, directed it, produced it, and edited it. Ms. Wang then showed a video of the Hunter's Point Heroes.

Ms. Wang indicated that they started filming when Spike Lee was filming over the summer. When they were filming, it was amazing how many people within the community came up and wanted to know what they were doing. What was brilliant was the newspaper got wind of it. In a front page Chronicle article, "Bayview in Bloom," Ryan Watt was quoted saying that Mr. Karl the gardener is a hero. It was a positive article that highlighted Bayview Hunter's Point. They know that great media does work. More importantly, these students can feel better about their own community. KQED also got wind that the filmmakers were doing these to change people's outlooks of the community. As a result, they will be featured on KQED's program, Spark, on April 7th. They will be highlighted, showing how art can change a community in a beautiful way. The Quesada gardeners, Mr. Karl, Ms. Corinne, and Ms. Annette, started the organization informally with three people. Now they're formally calling themselves the Quesada Gardeners Association and have grown from three to 12 gardeners. Part of BAYCAT's goal in providing youth and adult programming is bringing together community associations like that. They hosted their

second meeting and will have them facilitate this process. As a result of the film, they also threw a big party. Now that the Commission has seen it, they will be invited to the next BAYCAT awards. Over 300 people attended the party with movie stars such as Del Roy Lindo and Herbie Hancock, who is on their board who played and dedicated a piece. Hewlett Packard saw the film, was so moved by it and called her the next day and asked if they could donate some time to the community to enrich it. After many discussions, they wanted to do a community day with the gardeners to help them with their process. They will try to round up a bunch of adults and the kids will video tape and take pictures of the process and produce a marketing piece for HP. They can see a micro enterprise where the students can be immediately employed by community based organizations. They also had their first gig a few weeks ago, where they got to be professional photographers for Rainbow Church. There is a growing demand for young people and their art and their ability to put a great movie together by corporate America as well.

On behalf of Port staff, Carla Bagneschi gave the kids and the heroes gifts in support of the positive work they have been doing in the southern waterfront.

Commissioner Hsu thanked BAYCAT for their success and all the heroes that made it possible and all the filmmakers who worked hard on the great film.

Commissioner Bierman commented that it's a treat to see young kids doing such a fine job on a movie.

6. NEW BUSINESS/PUBLIC COMMENT

Ernestine Weiss, Golden Gateway Center, indicated that according to Dan Hodapp, construction on the Piers 1-½, 3 and 5 project would probably commence next week and that the concrete benches will be fenced. She was hoping that they would remove those benches instead of fencing them in.

Ms. Weiss mentioned that her neighbor saw a woman urinating on the Ying & Yang sculpture. She hopes that the Port relocates the sculpture to a better site where it would be protected.

7. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 4:40 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Marine Terminals Corporation (MTC): Ken Passe

b. Property: Pier 35
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Metropolitan Stevedore Company: Jim Callahan

c. Property: Seawall Lot 355
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Pacific Cement: Ricardo Ramirez

d. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

8. RECONVENE IN OPEN SESSION

At 5:24 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in executive session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

9. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 5:25 p.m.

SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner

Douglas F. Wong, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

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AGENDA

REGULAR MEETING
3:00 P.M., TUESDAY, MARCH 23, 2004
PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

DOCUMENTS DEPT.
MAR 18 2004
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1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - March 9, 2004 Meeting

3. **EXECUTIVE**

4. **CONSENT**

   A. Request for approval of amended Commission approved application for grant funds for $400,000 from the State Department of Parks and Recreation from the Murray-Hayden Program for the Pier 14 Public Pier Project, and authorization to accept and expend those grant funds. (Resolution No. 04-21)

   B. Request for authorization to apply for, accept and expend $200,000 in grant funds from the State Resources Agency Land and Water Conservation Fund Program for the Brannan Street Wharf Project. (Resolution No. 04-22)

   C. Request for approval of rent credit to reimburse AMB Pier One LLC for lender fees incurred in connection with lease line adjustment of Pier 1 lease. (Resolution No. 04-23)

   D. Request for approval of resolution authorizing the Port Executive Director to execute the Administering Agency-State Master Agreement with the California Department of Transportation. (Resolution No. 04-24)

5. REAL ESTATE

A. Request for approval of proposed assignment of Lease No. L-8993 from Franceschi Corporation to Mama Franceschi's, Inc. and proposed First Amendment to Lease No. L-8993 between the Port and Mama Franceschi's, Inc., a California corporation, and approval of authorization for Executive Director to execute Assumption and Assignment Agreement and First Amendment to Lease No. L-8993. (Resolution No. 04-28)

B. Request for approval of proposed terms for First Amendment to Lease No. L-13407 between the Port and S.P. Tarantino Insurance Brokerage, Inc., a California corporation, and approval of authorization for Executive Director to execute First Amendment. (Resolution No. 04-29)

6. ENGINEERING & MAINTENANCE

A. Request for authorization to advertise for competitive bids for the Pier 48 Apron Repairs, Contract No. 2695. (Resolution No. 04-26)

B. Approval to enter into agreements with Battelle to accept reimbursement funds for technical services and materials provided by the Port in support of the federal CBP Radiation Portal Monitoring system installation at Pier 80. (Resolution No. 04-27)

C. Informational Presentation regarding the Port's ADA Transition Plan and Policies.

7. ADMINISTRATIVE SERVICES

A. Request for authorization to issue a Request for Proposals (RFP) for Consultant Services to evaluate the Port's current organizational structure. (Resolution No. 04-30)

B. Request for authorization to issue a Request for Proposals (RFP) for Underwriter for refunding of the Revenue Refunding Bonds, Series 1994. (Resolution No. 04-31)

8. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND PENDING LITIGATION MATTERS (Discussion Items)

a. Discuss existing and pending litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (3 cases):

- Claim of Deborah O'Brien (Claim No. 03-04310)
  Discussion of claimant's settlement offer.

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.

- In re Pacific Gas and Electric Company, Debtor, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01-30923.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 45, Shed C
Person Negotiating: Port: Peter Dailey, Maritime Director
*National Liberty Ship Memorial (Jeremiah O'Brien): Rex Clack

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 45, Shed C.

b. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

c. Property: Pier 23
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Piers 23 Café: Flicka McGurrin

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 23.

d. Property: Pier 24 Annex
Person Negotiating: Port: Ken Winters, Director of Real Estate
*The GAP: Don Fisher

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 24 Annex.

e. Property: Seawall Lot 355
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Pacific Cement: Ricardo Ramirez

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Seawall Lot 355.

10. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

11. ADJOURNMENT

MARCH/APRIL 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
March 23	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
April 13	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
April 27	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 1st Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

March 16, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner

FROM: Douglas F. Wong
Executive Director

SUBJECT: Amend Commission approved application for grant funds for $400,000 from the State Department of Parks and Recreation from the Murray-Hayden Program for the Pier 14 Public Pier Project, and authorization to accept and expend those grant funds.

DIRECTOR'S RECOMMENDATION: APPROVE THE AMENDED APPLICATION AND AUTHORIZE THE EXECUTIVE DIRECTOR TO ACCEPT AND EXPEND GRANT FUNDS FROM THE STATE DEPARTMENT OF PARKS AND RECREATION FOR THE PIER 14 PUBLIC PIER PROJECT.

Project Description. A component of the Downtown Ferry Terminal is the breakwater that was recently constructed to the south of the Agriculture Building. The breakwater is designed to protect the south ferry berths from winter storm surge, making ferry service possible in most all weather conditions. The proposed Downtown Ferry Terminal "Pier 14 Public Pier" project will finish the top of the breakwater with public pedestrian improvements and connect it to Herb Caen Way (the Embarcadero Promenade).

The proposed Pier 14 will take advantage of its unique condition, taking a needed breakwater and making it a landmark open space where the public can appreciate the Bay. Phase I of Pier 14 is the approximately 100-foot pier extension that is currently under construction to connect the freestanding breakwater to the Embarcadero Promenade, and a circular terminus at the outer end, 600+ feet into the Bay. Visitors will be able to walk out into the Bay and view interpretive information about ferry activities, Bay currents, and Bay habitat, and enjoy views back to the City and Bay Bridge.

The breakwater was designed and built to support public access. The concrete topping slab installed on the breakwater is the final finished pavement for the public pier, and railing brackets were placed within the topping slab. Construction of Pier 14 is divided in to three phases to

This Print Covers Calendar Item No. 4A

reflect the different types of pier construction and pedestrian improvements. The separation of phases also met earlier funder's requirements of expending funds within certain grant agreement deadlines before the Port was able to obtain complete project funding.

Amended Grant Application. On October 28, 2003 the Commission approved a resolution to apply for a grant offered by the State Department of Parks and Recreation for $400,000 from the Murray-Hayden Program. The State recently informed the Port that the application required an amendment to the Commission's resolution in order for the application to be deemed complete. The amended resolution adds the language: the applicant has "reviewed, understands, and agrees to the General Provisions contained in the Contract shown in the Procedural Guide". Port staff has reviewed the State contract and wishes to amend the resolution as attached.

Prepared by: Dan Hodapp
Senior Waterfront Planner

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-21

WHEREAS, the Pier 14 Public Pier is a component of the Downtown Ferry Terminal project that would add public access on top of a required breakwater constructed to protect new berths from winter storm damage (the "Project"); and

WHEREAS, the Project is an important part of the Port's Waterfront Land Use Plan; and

WHEREAS, Section 3.581 of the Charter of the City and County of San Francisco empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, all relevant agencies, including the Bay Conservation and Development Commission, the Regional Water Quality Control Board, and the Army Corps of Engineers, have issued permits for approval of the Project; and

WHEREAS, the San Francisco Planning Department adopted and issued a Final Negative Declaration (the "Negative Declaration") pursuant to the California Environmental Quality Act on August 7, 1997 and the Federal Highway Administration issued a Finding of No Significant Impact pursuant to the National Environmental Policy Act for the Downtown Ferry Terminal Project, which incorporates the Project; and

WHEREAS, the Port Commission previously reviewed the Negative Declaration and determined that there is no substantial evidence that the Project could have a significant effect on the environment; and

WHEREAS, the people of the State of California have enacted the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, which provides funds to the State of California for grants to eligible Applicants; and

WHEREAS, the California Department of Parks and Recreation has been delegated the responsibility for the administration of the Murray-Hayden Urban Parks and Youth Service Program and the grant Project shown above within the State, setting up necessary procedures, and

WHEREAS, the applicant has reviewed, understands, and agrees to the General Provisions contained in the Contract shown in the Procedural Guide and will enter into an agreement with the State of California to accept and expend grant funds; now, therefore be it

RESOLVED, that the Port Commission hereby approves the filing of an application for the Murray Hayden Program funding, and authorizes the Executive Director to accept and expend those funds; and certifies that the Port has or will have available prior to commencement of any work on the Project, sufficient funds to operate and maintain the Project; and appoints the Executive Director or his designee as agent of the Port of San Francisco to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned Project, including if appropriate, indemnifying the State or Federal Government for liability associated with the Project to the extent approved by the City's Risk Manager and the City Attorney's Office.

I hereby authorize that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of March 23, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 16, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to apply for, accept and expend $200,000 in grant funds from the State Resources Agency Land and Water Conservation Fund Program for the Brannan Street Wharf Project.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY FOR, ACCEPT AND EXPEND GRANT FUNDS FROM THE STATE RESOURCES LAND AND WATER CONSERVATION FUND PROGRAM FOR THE BRANNAN STREET WHARF PROJECT.

BACKGROUND:

The Port and the Bay Conservation and Development Commission (BCDC) both called for the development of the Brannan Street Wharf (the Wharf) when these two agencies reached an historic agreement (Port/BCDC Agreement) in July, 2000, establishing consistent policies for the San Francisco waterfront in the Port and BCDC's plans. The Wharf is identified as a major neighborhood and destination open space in the Port's Waterfront Land Use Plan, in BCDC's amended Special Area Plan, and in the San Francisco General Plan -Northeastern Waterfront Area Plan.

Brannan Street Wharf will be a new open space defining the center of the South Beach neighborhood replacing Piers 34 and 36 and providing 57,000 square feet of new wharf over the water parallel to the Embarcadero Promenade. It is located on The Embarcadero Promenade between Pier 30-32 and Pier 38.

This Print Covers Calendar Item No. **4B**

The Brannan Street Wharf was also identified in the State legislation passed in 2001 (AB 1389) regarding development of Pier 30-32 for the Bryant Street Pier cruise terminal project. As per that legislation, funds for the Brannan Street Wharf are required to be fully encumbered prior to a BCDC permit being issued for the cruise terminal project, and the construction of the Wharf must be completed prior to the cruise terminal project becoming operational. Previously, the Port/BCDC Agreement anticipated construction of the Wharf to be within 15-20 years from the cruise terminal construction.

The first phase of the Wharf is to work with the public to develop a concept design to submit to the Port and BCDC Commissions for their consideration. The Port, working with BCDC, conducted a public planning process for the Brannan Street Wharf working with a citizens advisory committee (CAC) for this project. The CAC included representatives from the South Beach/Rincon Point Citizens Group, other residents, merchants, and a variety of interest groups representing a broad mix of local and regional view points.

The Port hired a consultant team led by Economic Research Associates and Sasaki Associates to assist staff in preparing the concept design. The team provided expertise in engineering evaluation, landscape architecture and economics. The Port conducted seven CAC meetings and three public workshops. The concept design was then reviewed at joint meetings of BCDC's Design Review Board and the Waterfront Design Advisory Committee three times, and was approved by the Port Commission on August 26, 2003.

Proposed Concept Design

The Project will be a new wharf connected to and running parallel to the Embarcadero Promenade beginning at the south edge of Pier 30-32 and extending for about 830-feet through the area of Pier 36. It will have a wedge shape with its narrowest point adding about a 10-foot wharf to the edge of Pier 30-32 and widening to about 140-feet at the south end of Pier 36. The Wharf may reuse sound piles in the area of Pier 36; the portion of the plaza north of Pier 36 would be all new construction. The major project components include a 400-foot length lawn area, a waterside walkway with seating, shade-sheltered picnic/game tables, and a small-craft float. The design remembers its San Francisco waterfront history by taking on the shape of Pier 36, and by placing bronze strips in the paving to note the locations of former rail lines.

The Wharf is designed flat with the lawn being in a raised planter of about 15-inch height. The openness of the site is intended to orient the Wharf both toward the Bay and the adjacent neighborhood. A low wall that also functions as a sitting edge surrounds the lawn. A series of interpretive exhibits will be constructed that encourage interaction about Bay currents, tides, wildlife and fisheries, and history.

Grant Application

The grant would be for $200,000 from the State Resources Agency Land and Water Conservation Fund Program. Grant funds would be go towards the overall development costs of the Brannan Street Wharf. The estimated cost for the Brannan Street Wharf is about $15 million inclusive of soft costs. The Wharf would be financed by a combination of proceeds from the sale

of a portion of Seawall Lot 330 for residential development, the Port's open space banking required by the Special Area Plan agreement with BCDC in 2000 and other grant funds.

Environmental Review
The Major Environmental Analysis Division of the San Francisco Planning Department completed the environmental review of the Bryant Street Pier project, which included the Brannan Street Wharf, under the California Environmental Quality Act (CEQA). The Supplementary Environmental Impact Report (SEIR) was published in November 2001 and was certified by the Planning Commission in May 2002. Bluewater Network filed an appeal to the Board of Supervisors, and the Board remanded the SEIR to the Planning Department. The SEIR was revised and certified by the Planning Commission in November 2002. San Franciscans for a Healthy Waterfront filed another appeal, and the Board rejected that appeal thereby certifying the SEIR in January 2003. The Port Commission approved the Bryant Street Pier project on March 25, 2003.

Implementation
Final design and construction will be the responsibility of the Bryant Street Pier cruise terminal developer and as described above, be timed to occur with the development of the cruise terminal.

Staff Recommendation
Approve the attached resolution allowing Port staff to apply for, accept and expend grant funds from the State Resources Agency Land and Water Conservation Fund Program.

Submitted by: Dan Hodapp
Senior Waterfront Planner

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PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-22

Grant Application to the State Resources Agency Land and Water Conservation Fund Program

WHEREAS, the Congress under Public Law 88-578 has authorized the establishment of a federal Land and Water Conservation Fund Grant-In-Aid program, providing Matching funds to the State of California and its political subdivisions for acquiring lands and developing Facilities for public outdoor recreation purposes; and

WHEREAS, the California Department of Parks and Recreation is responsible for administration of the program in the State, setting up necessary rules and procedures governing Applications by local agencies under the program; and

WHEREAS, said adopted procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of Applications and the availability of eligible Matching funds prior to submission of said Applications to the State; and

WHEREAS, the proposed Brannan Street Wharf Project is consistent with the Statewide Comprehensive Recreation Resources Plan California Outdoor Recreation Plan - 2002; and

WHEREAS, The Major Environmental Analysis Division of the San Francisco Planning Department completed the environmental review of the Bryant Street Pier project, which included the Brannan Street Wharf, under the California Environmental Quality Act (CEQA). The Supplementary Environmental Impact Report (SEIR) was published in November 2001 and was certified by the Planning Commission in May 2002. Bluewater Network filed an appeal to the Board of Supervisors, and the Board remanded the SEIR to the Planning Department. The SEIR was revised and certified by the Planning Commission in November 2002. San Franciscans for a Healthy Waterfront filed another appeal, and the Board rejected that appeal thereby certifying the SEIR in January 2003. The Port Commission approved the Bryant Street Pier project on March 25, 2003; and

WHEREAS, the Project must be and is compatible with the land use plans of those jurisdictions immediately surrounding Project; NOW, THEREFORE, BE IT

RESOLVED that the San Francisco Port Commission hereby:

1. Approves the filing of an Application for Land and Water Conservation Fund assistance for $200,000; and

2. Certifies that the Port of San Francisco has Matching funds from the Bryant Street Pier project and from the Port's open space banking required by the Special Area Plan agreement with BCDC in 2000 and can finance 100 percent of the Project, $200,000 which will be reimbursed; and

3. Certifies that the Project is compatible with the land use plans of those jurisdictions immediately surrounding the Project; and

4. Appoints the Port's Executive Director or his designee as the agent of the Port of San Francisco to conduct all negotiations and execute and submit all documents, including, but not limited to, applications, contracts, amendments, payment requests, and compliance with all applicable current state and federal laws which may be necessary for the completion of the aforementioned Project, including if appropriate, indemnifying the State or Federal Government for liability associated with the Project to the extent approved by the City's Risk Manager and the City Attorney's Office.

I hereby certify that the foregoing Resolution was ADOPTED by the Port Commission at its regular meeting of March 23, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Request for Approval of $1,500 Rent Credit to Reimburse AMB Pier One LLC for Lender Fees Incurred in Connection with Lease Line Adjustment of Pier 1 Lease**

DIRECTOR'S RECOMMENDATION: APPROVE RENT CREDIT IN THE AMOUNT OF $1,500.00

BACKGROUND

On March 11, 2003, pursuant to Resolution No. 03-17, the Port Commission approved the Lease Disposition and Development Agreement ("LDDA") for the historic rehabilitation of Piers 1-1/2, 3 and 5 ("Piers Project") with the developer, San Francisco Waterfront Partners, LLC ("SFWP"). The Piers Project is adjacent to and north of Pier 1, which is leased to AMB Pier One LLC, a California limited liability company ("AMB"). The demising wall between Pier 1 and Pier 1-1/2 currently lies within AMB's leasehold. SFWP desires to install windows and make other improvements in this wall for the oyster bar it plans to build on the other side of the wall.

Early in the planning stages of the Piers Project, it was determined by SFWP, AMB and the Port that this demising wall between Pier 1 and Pier 1-1/2 should be removed from AMB's leasehold and added to SFWP's lease premises so that SFWP would have the responsibility for installing the improvements and maintaining and repairing the wall. To effectuate this, and as a condition to close of escrow on the Piers Project, the Port and AMB executed a Memorandum of Technical Corrections on February 2, 2004 adjusting the legal description of AMB's premises by removing the wall. The lease for the Piers Project incorporates this wall in the Piers Project premises.

Another condition to close of escrow (imposed by the Title Company) was to obtain the consent of AMB's lender (CIGNA) to the lease line adjustment. At the request of the Port, AMB did obtain CIGNA's consent, but as a condition to granting its approval, CIGNA required AMB to pay CIGNA an administrative fee of $1,000 and legal fees to review the documents of $500, for a total of $1,500.00. AMB has invoiced the Port for this amount.

THIS PRINT COVERS CALENDAR ITEM NO. 4C

The LDDA for the Piers Project requires that the Port deliver the premises to SFWP free of all leaseholds. It is therefore the responsibility of the Port to obtain the lease line adjustment. While AMB was very cooperative in procuring this lease line adjustment, AMB conditioned its consent to the adjustment upon the Port reimbursing AMB for fees charged by its lender. The most expeditious process for the Port to reimburse AMB is to allow AMB to deduct $1,500.00 from the minimum rent that it owes to the Port under the Pier 1 lease, which equals $111,795.25 per month.

RECOMMENDATION

Staff recommends that AMB be granted a rent credit of $1,500.00 to reimburse it for the fees AMB incurred in connection with the lease line adjustment.

Prepared by:
Jennifer Sobol, Project Manager
Planning & Development

Carol Anderson, Assistant Deputy Director
Real Estate

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PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-23

WHEREAS, On March 11, 2003, pursuant to Resolution No. 03-17, the San Francisco Port Commission ("Commission") approved the Lease Disposition and Development Agreement ("LDDA") for the Piers 1-1/2-3-5 Historic Rehabilitation Project ("Piers Project") with San Francisco Waterfront Partners, LLC ("SFWP"); and

WHEREAS, The Port of San Francisco ("Port") has a lease with AMB Pier One LLC, a California limited liability company ("AMB") for the lease of Pier 1, which is adjacent to the Piers Project; and

WHEREAS, As a condition to close of escrow for the Piers Project, the lease line between Pier 1 and Pier 1-1/2 must be adjusted to remove the demising wall from the AMB leasehold and add it to the Piers Project leasehold; and

WHEREAS, On February 2, 2004 the Port and AMB executed a Memorandum of Technical Corrections correcting the legal description of AMB's premises by removing the demising wall from the leasehold; and

WHEREAS, Another condition to close of escrow was obtaining the consent of AMB's lender, CIGNA, to the lease line adjustment; and

WHEREAS, As a condition to granting its approval of the lease line adjustment, CIGNA required AMB to pay CIGNA $1,500.00 for administrative and legal fees; and

WHEREAS, At the request of the Port, AMB did obtain CIGNA's consent to the lease line adjustment on the condition that the Port reimburse AMB for the lender fees it incurred; and

WHEREAS, AMB did incur $1,500.00 in fees to CIGNA; and

WHEREAS, The LDDA for the Piers Project requires that the Port deliver the premises to SFWP free of all leaseholds and therefore it is the responsibility of the Port to obtain the lease line adjustment; and now therefore, be it

RESOLVED, That, in order to reimburse AMB for the lender fees that it incurred in connection with the lease line adjustment, the Port Commission hereby authorizes the Executive Director or his designee to issue to AMB a rent credit of $1,500.00 to be taken by AMB against the monthly minimum rent that it owes to the Port under the Pier 1 Lease.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 23, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 16, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution authorizing the Port Executive Director to execute the Administering Agency-State Master Agreement with the California Department of Transportation.

DIRECTOR'S RECOMMENDATIONS: Approve resolution authorizing the Port Executive Director to execute the Administering Agency-State Master Agreement with the California Department of Transportation

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Background

The Port of San Francisco is eligible to receive Federal and State funding for certain transportation projects. Under California law, the California Department of Transportation is responsible for the administration and distribution to qualified public entities of certain Federal program funds enacted under the Intermodal Surface Transportation Efficiency Act of 1991, including the Surface Transportation program and the Congestion Mitigation and Air Quality Improvement Program.

Prior to the distribution of funds to qualified public entities such as the Port, the public entity must execute Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and Fund Transfer Agreements with the Department of Transportation.

At present, the Port is engaged in two projects that qualify for Federal program funds that are administered by the California Department of Transportation: 1) the historic renovation of the Pier 43 Ferry Arch, and 2) the Embarcadero Promenade Improvements.

This Print Covers Calendar Item No. **4D**

Before the funds are made available, the Port must execute an updated Administering Agency-State Master Agreement ("Master Agreement") with the California Department of Transportation. The Port will also be required to execute a Program Supplement for each specific project, which Program Supplement will incorporate the terms of the Master Agreement.

Material terms of the Master Agreement include the following:

- Port agrees that the Program Supplement will be incorporated as part of the Master Agreement, and will set forth the nature of the project, any special covenants or remarks, ,the federal funds requested and the matching funds to be provided by Port.
- Port will conform to either certain minimum statewide design standards for local agency streets and roads or Port-approved standard specifications, plans and materials that meet such standards.
- Port will provide for adequate supervisions and inspection of each project.
- Port will comply with the requirements of the Fair employment practices whenever State funds finance part of the project, and the nondiscrimination assurances attached to the Master Agreement, and will pass such requirements through to Port's contractors.
- The Master Agreement sets up a procedure for the acquisition of rights-of-way necessary for specific projects.
- Port agrees to maintain and operate the project for its intended public use.
- The Master Agreement sets forth a procedure for disbursement of funds, payment of local matching funds, and payment of cost overruns.
- Port must retain all original records to the project and make them available upon request to Federal and State representatives.
- If Port receives more than $100,000.00 per fiscal year in Federal Financial Assistance, it will have an audit performed by an independent audit firm.
- Port certifies that no State or Federal funds have been paid or will be paid for lobbying activities, and will include such language in all sub-agreements in excess of $100,000.00
- Port agrees to indemnify State against any claims arising out of Port's activities authorized under the Master Agreement and Program Supplement, and the State agrees to indemnify Port against claims in connection with any work delegated to State under the Agreement.

Commission Action

Port staff recommends Port Commission approval of the accompanying resolution that authorizes the Port Executive Director, or his designee, to execute Administering Agency-State Master Agreement No. 04-6169 with the California Department of Transportation, and thereafter be eligible to receive funds under Program Supplement Agreements for the Pier 43 Arch and the Embarcadero Promenade Improvements.

Prepared by: David Serrano-Sewell
Assistant Port General Counsel

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-24

WHEREAS, Section B3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco, including the exclusive power to enter into contracts, agreements, or stipulations germane to the scope of its powers and duties, and to expend all funds necessary to the carrying out of such powers and duties; and

WHEREAS, Under California law, the California Department of Transportation is responsible for the administration and distribution of funds to qualified public entities of certain Federal transportation programs; and

WHEREAS, The Port is eligible to receive Federal and State funding for certain transportation projects, administered through the California Department of Transportation; and

WHEREAS, The California Department of Transportation requires that eligible government agencies execute Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements and/or Fund Transfer Agreements before such funds can be claimed; and

WHEREAS, The California Department of Transportation has requested that the Port enter into an updated Administering Agency-State Master Agreement prior to releasing funds for the historic renovation of the Pier 43 Ferry Arch and the Embarcadero Promenade Improvements pursuant to certain Program Supplemental Agreements governing those projects; now therefore be it

RESOLVED, That the Port Commission hereby approves the terms and conditions of Master Agreement No. 04-6169, on the material terms set forth in the Memorandum to Port Commissioners, dated March 16, 2004 for Agenda Item No. 4D and substantially in the form on file with the Secretary of the Port Commission; and be it further

RESOLVED, That the Port Commission hereby authorizes and directs the Port's Executive Director, or his designee, to execute Master Agreement No. 04-6169 and any amendments thereto, and to execute Program Supplemental Agreements Nos. M002 and M003 regarding the Embarcadero Promenade Improvements and the Pier 43 Ferry Arch repairs, and any related Fund Exchange Agreements, Fund Transfer Agreements and any amendments thereto with the California Department of Transportation, and to take all further actions necessary to implement the programs set forth in those Program Supplemental Agreements.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of March 23, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner

FROM: Douglas F. Wong
Executive Director

SUBJECT: Proposed Assignment of Lease No. L-8993 from Franceschi Corporation to Mama Franceschi's, Inc. and Proposed First Amendment to Lease No. L-8993 between the Port and Mama Franceschi's, Inc., a California corporation, and Approval of Authorization for Executive Director to Execute Assumption and Assignment Agreement and First Amendment to Lease No. L-8993

DIRECTOR'S RECOMMENDATION: Approve Assignment and First Amendment to Lease No. L-8993.

BACKGROUND/EXISTING CONDITIONS

Franceschi's Restaurant was established in 1946. It is located at 498 Jefferson Street on the north side of the street across from the new Argonaut Hotel and adjacent to the Hyde Street Harbor. The restaurant currently has 70 seats and a small bar area, and serves breakfast, lunch and dinner. In 1975, Franceschi Corporation entered into a 61-year lease, lease no. L-8993, with the Port for the 2,972 square foot restaurant. In 1985, Franceschi also entered into month-to-month lease for an additional 739 square feet which is utilized for Franceschi's kitchen and storage operations.

CORPORATE STATUS

Franceschi Corporation initially consisted of equal partners Margaret Franceschi and Mario Alioto. In 1995, Paul Capurro bought Margaret Franceschi's 50% interest from her estate and in 2003 Mr. Capurro purchased the remaining 50% interest from Mario Alioto's estate. In the interest of resolving tax and debt issues pertaining to the Franceschi Corporation, a new entity, Mama Franceschi's, Inc., was incorporated in 2003. The corporation's stock is held entirely by Mr. Capurro and Mr. Samir Ayoub, at 65% and 35% respectively. A lease assignment from the Port Commission is now required to formally recognize Mama Franceschi's, Inc. as the Port's tenant of record.

This Print Covers Calendar Item No. **5A**

SUBSTRUCTURE CONDITION

The Port has substructure maintenance and repair responsibility for the month-to-month portion of Franceschi's leasehold premises. On 4/10/02 the Port inspected this area and determined that the wood framing supporting the concrete floor is distressed and that the roof and roof-framing members are affected by dry rot. Port Engineering, through its rapid assessment inspection program, tagged this area "yellow" and determined that repair work must be done in the near future in order to preserve this facility. Engineering has estimated that the cost of the necessary repairs is approximately $50,000.

TENANT REQUEST FOR EXPANDED AREA

Franceschi's proposes an upgrade and remodel of both the interior and exterior of the restaurant with the design retaining the original "Fisherman's Wharf" character of the restaurant and atmosphere of the area. The construction budget is estimated at $1.2 million and Franceschi's has obtained financing to fund the work. The construction budget and scope of work also include the substructure repair, as well as new furniture, fixtures and equipment. Franceschi's proposes to reconfigure the leasehold to create a new entry, lounge and bar area, an expanded kitchen, and new ADA restrooms. Seating capacity will be increased to 191 seats.

To accomplish the renovation and remodel, Franceschi's proposes to add the following parcels into its long-term leasehold premises: (1) the existing 739 square foot month-to-month leasehold; (2) 189 square feet of adjacent open area on the north side of the premises; and (3) 390 square feet of space adjacent to the east side of the premises currently leased to an adjacent tenant, S.P. Tarantino Insurance Brokerage. Incorporating these additional parcels into its premises will allow Franceschi's to "square off" the restaurant and provide the area necessary for building ADA restrooms while allowing for efficient utilization of an enhanced restaurant space. In a separate agreement, Port staff will amend the S.P. Tarantino Insurance Brokerage lease to delete this portion of their premises. The proposed total area of the remodeled restaurant will be 4,286 square feet, as shown on the attached exhibit.

The time required for construction of the proposed improvements is estimated to be 4 months. During this time the restaurant will be closed, with Franceschi's continuing to pay the minimum monthly base rent of $3,521.

PROPOSED LEASE TERMS FOR FIRST AMENDMENT

Lease Term:	Unchanged--Lease Expiration April 30, 2036	
Lease Premises:	4,286 square feet	
Minimum Rent:	Unchanged at $3,521 for the first 12 months; increases to $5,000 per month thereafter, subject to annual CPI increases	
Percentage Rent:	Alcoholic Beverages and all other items sold through Bar	6.75%
	Food	6.75%
	All other Sales	8.75%

Other New/Updated Lease Provisions: The lease amendment includes the following City Requirements that have gone into effect since the original lease was executed in 1975:

a. Non-Discrimination
b. MacBride Principles
c. Tropical Hardwood and Virgin Redwood
d. Tobacco Products Advertising Ban
e. First Source Hiring
f. Health Benefits for Covered Employees
g. Pesticide Prohibition
h. Green Building Ordinance
i. Notification on Limits on Contributions
j. Card check requirement

In addition, the Lease will be updated to include current standard lease provisions and requirements.

ANALYSIS

Port staff is in agreement with Franceschi's that the proposed $1.2 million capital and tenant improvement investment is necessary for Franceschi's to improve its performance and compete favorably with other Fisherman's Wharf restaurants. Franceschi's sales have been declining for a number of years. Recent events, including the fire at the construction site of the Argonaut Hotel, events of 9-11, subsequent construction of the hotel, and the Bay Area economic downturn have had a significant negative effect on Franceschi's business. However, even without these economic impacts, Franceschi's has under-performed for many years due to lack of capital investment and unfocused management. Within the last ten years Franceschi's gross sales peaked in 1998/1999 with total rent paid to the Port of $72,380. During 2003 Franceschi's gross sales totaled $827,752, resulting in base and percentage rent (6.75% per the lease) payment to the Port totaling $56,317.

Franceschi's pro forma for first year operations following completion of the proposed improvement projects annual rent to the Port of $219,649, based on anticipated gross sales of $3.2 million--an increase of almost four times. Because of Franceschi's past performance, Port staff believes these projections to be aggressive. However, with the new management's action plan, a major renovation and upgrade, and an expansion of the restaurant, Port staff believes that a significant increase in revenue is likely. An expanded Franceschi's is comparable in size to many other Fisherman's Wharf restaurants. As an example, Pompeii's Grotto, located two blocks east of Franceschi's on Jefferson street, totals 4,140 square feet and reported gross sales of $2.3 million in 2003, or $555 per square foot, resulting in total rent to the Port for 2003 of $156,324.

Once the renovation is complete, Franceschi's will be poised to reap the benefits of increased tourism resulting from the rebounding economy and an improving neighborhood. Directly across the street, the recently renovated Argonaut Hotel has opened to positive reviews and is experiencing high occupancy rates from both tourists and businesspersons eager to sample the character of Fisherman's Wharf.

The proposed lease amendment eliminates all Port responsibility for the maintenance and repair of any portion of Franceschi's Premises. For example, the pending substructure repair is currently the

Port's responsibility. This approximately $50,000 project becomes the sole responsibility of the tenant following approval of the lease amendment.

As mentioned above, Franceschi's has recently undergone an ownership transition that requires a formal lease assignment. Paul Capurro and Samir Ayoub, the sole owners of Mama Franceschi's, Inc., have created a new management plan which increases their ability to attract capital to this facility. Their business expertise and familiarity with the history of Fisherman's Wharf should prove beneficial as the economy and local neighborhood continue to improve.

Finally, Franceschi's has received the unanimous support of the Fisherman's Wharf Waterfront Advisory Group for their proposed renovation program.

RECOMMENDATION

Port staff recommends approval of the proposed lease assignment and first amendment of lease. The expansion, upgrade and remodel of Franceschi's will significantly increase gross sales for Franceschi's and enhance Port revenue. Further, Franceschi's will assume responsibility for the maintenance and repair of the building's substructure and agrees to accept new lease provisions, including City ordinances for Health Care Accountability and Employee Signature Authorization. Should the Port Commission approve the lease assignment and amendment, the lease amendment will then require approval from the Board of Supervisors.

Prepared by: Phil Williamson, Senior Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-28

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, On May 1, 1975, the Port and Franceschi, a California corporation entered into Lease No. L-8993 for a 61-year term; and

WHEREAS, On April 9, 1996, the Port Commission through Resolution No. 96-34 approved an increase of the percentage rent for food, beverages and all other uses; and

WHEREAS, Tenant now desires to assign the lease to Mama Franceschi's, Inc., a California corporation; and

WHEREAS, Tenant now desires to amend the lease to expand the premises; and

WHEREAS, Tenant proposes to construct various tenant improvements in the expanded premises; and

WHEREAS, Tenant proposes to assume all maintenance responsibilities for the expanded premises, including all structural and sub-structural maintenance; and

WHEREAS, Tenant's proposed tenant improvements are projected to significantly increase the gross sales revenues generated at the Premises and aesthetically enhance a portion of the Fisherman's Wharf waterfront; now, therefore, be it

RESOLVED, that the Port Commission hereby consents to the assignment of Lease No. L-8993 to Mama Franceschi's, Inc., a California corporation, and authorizes the Executive Director, or his designee, to consent to the Assignment of Lease and Consent to Assignment, the terms of which are described in the staff report and are on file with the Commission secretary; and be it further

RESOLVED, that the Port Commission hereby consents to the First Amendment of Lease No. L-8993, the terms of which are described in the staff report and are on file with the Commission secretary; and be it further

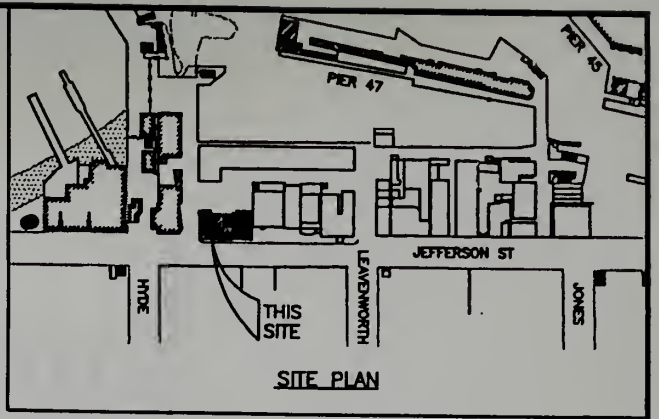
RESOLVED, that the Executive Director or his designee is hereby authorized to execute all such appropriate documentation as needed to implement this Resolution in a form approved by the City Attorney's office.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 23, 2004.

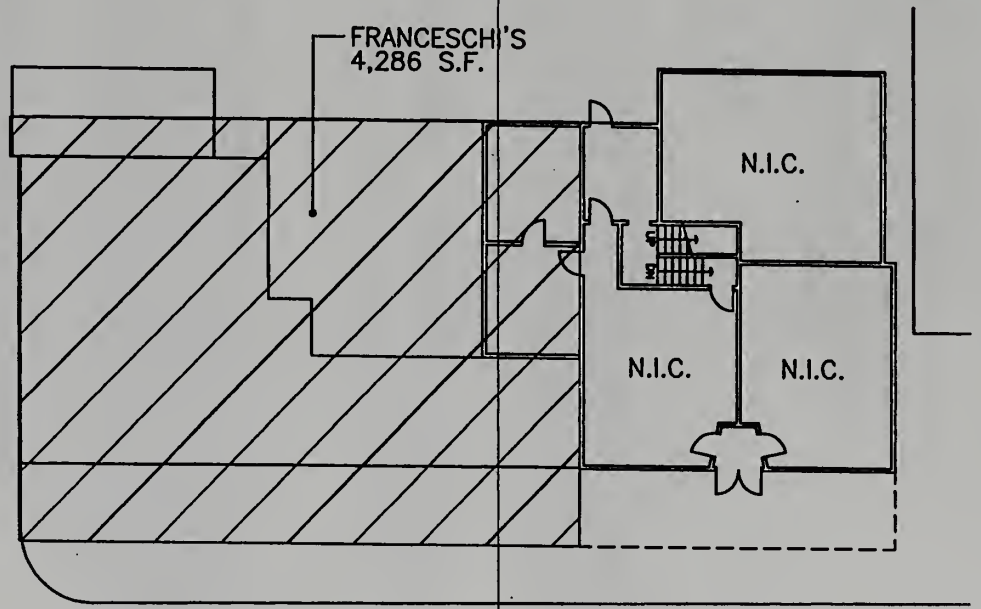
_____
Secretary

EXHIBIT A

INITIALS: PORT_____ TENANT_____



SITE PLAN



TOTAL AREA : 4,286 S.F.

LEASE NO.			
L-8983	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	FRANCESCHI'S, A CALIFORNIA CORPORATION	DRAWN BY: S. CHU · DATE: FEB. 25, 2004 CHECKED BY: P. WILLIAMSON · SCALE: PLACE CODE NO. 3030-0-0000 · SHEET NO. OF SHEETS

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PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of proposed Terms for First Amendment to Lease No. L-13407 between the Port and S.P. Tarantino Insurance Brokerage, Inc., a California corporation, and Approval of Authorization for Executive Director to Execute First Amendment to Lease No. L-13407

DIRECTOR'S RECOMMENDATION: Approve First Amendment to Lease No. L-13407.

BACKGROUND

The Port and S.P. Tarantino Insurance Brokerage, Inc. ("Tarantino") entered into a 5-year office and storage space lease dated May 1, 2003 (Lease No. L-13407), for premises located at 490 Jefferson Street. This lease includes 390 square feet of storage space that Port staff proposes to remove from Tarantino's premises and add to the adjacent tenant premises (Franceschi's restaurant) to accommodate the Franceschi's restaurant expansion and remodeling project.

PROPOSED TERMS FOR FIRST AMENDMENT TO LEASE

Lease Term: Extended 2 years until 4/30/2010

Lease Premises: Reduced by 390 square feet of storage area

Minimum Rent: Reduced from $2,889.00 per month to $2,588.00 per month. The lease rental rate is subject to reevaluation to fair market rent for the 2-year extension period.

Expansion Right: Tenant to have the right to first offer for the adjacent 558 square foot office space currently under a month-to-month lease to Martell Insurance Services.

This Print Covers Calendar Item No. **5B**

Other New/Updated Lease Provisions:
The lease amendment includes the following City Requirements that have gone into effect since the original lease was executed:

1.Green Building Ordinance
2. Notification on Limits on Contributions

In addition, the Lease will be updated to include current lease provisions and requirements.

ANALYSIS

The proposed amendment deletes 390 square feet of storage space from the Tarantino premises. This deletion makes possible the significant expansion and remodeling project for the adjacent Franceschi restaurant premises, and as such, does not negatively impact the Port's revenue. Rather, because Franceschi's will be required to invest approximately $1.2 million in its restaurant, the Port expects significant additional percentage rent from Franceschi's increased sales.

The additional 2-year term proposed in the amendment is tied to a rent reevaluation provision. This provision guarantees Port's right to receive the then-current market rate for the premises for the extension period.

Tarantino's right to first offer for the Martell Insurance Services space provides the opportunity to lease this space at market rent to a tenant in good standing and a long-term member of the Fisherman's Wharf business community.

RECOMMENDATION

Port staff recommends approval of the proposed lease amendment as the expansion, upgrade and remodel of the adjacent Franceschi's restaurant will significantly increase gross sales for Franceschi's and enhance Port revenue.

Prepared by: Phil Williamson, Senior Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-29

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, On May 1, 2003, the Port and S.P. Tarantino Insurance Brokerage, Inc., entered into Lease No. L-13407 for a 5-year term; and

WHEREAS, Tenant now desires to amend the lease to reduce the square footage of the lease premises; and

WHEREAS, Tenant now desires the right to first offer for adjacent office space currently leased on a month-to-month basis to a third party; and

WHEREAS, Tenant desires to extend the term of the lease for an additional two (2) years; and

WHEREAS, Tenant agrees that the additional two-year term will be subject to a fair market rent reevaluation; now, therefore, be it

RESOLVED, that the Port Commission hereby consents to a First Amendment to Lease No. L-13407, the terms of which are described in the staff report and are on file with the Commission secretary; and be it further

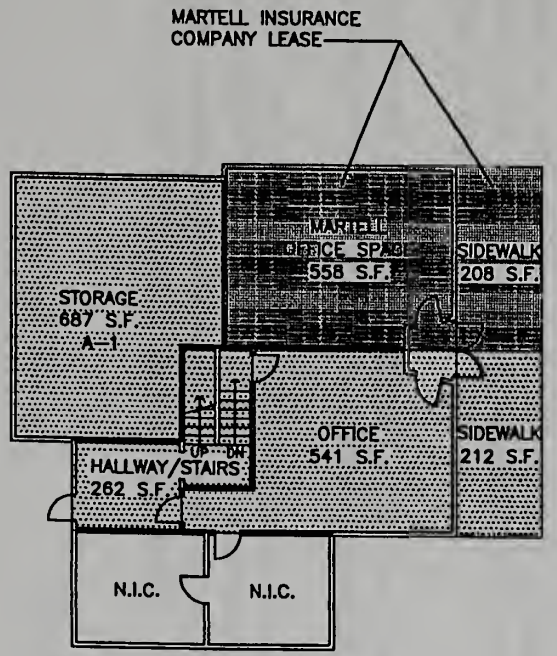
RESOLVED, that the Executive Director or his designee is hereby authorized to execute all such appropriate documentation as needed to implement this Resolution in a form approved by the City Attorney's office.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 23, 2004.

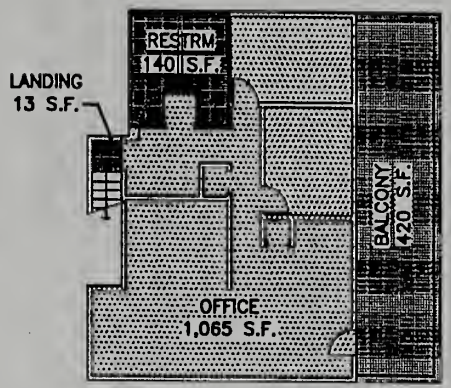
_____
Secretary

EXHIBIT A

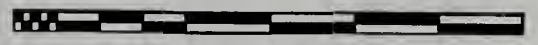
INITIALS: PORT_____ TENANT_____



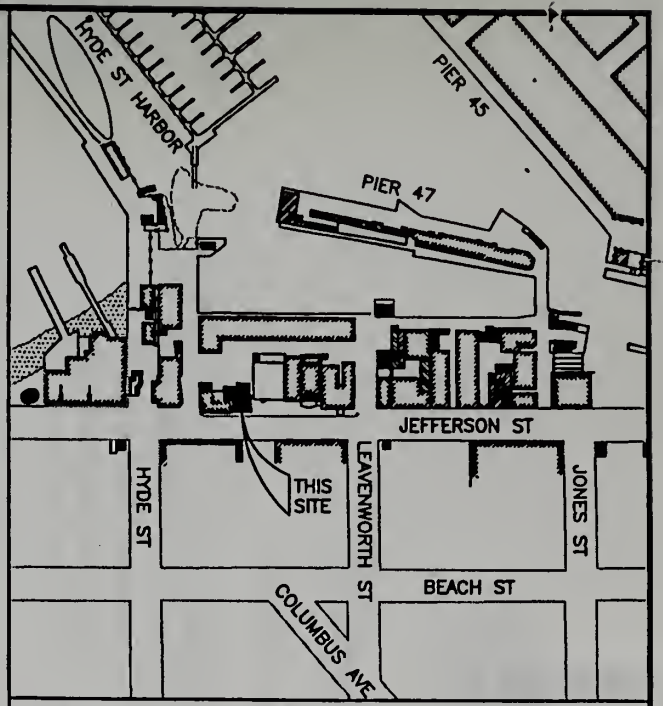
GROUND FLOOR PLAN



SECOND FLOOR PLAN



SCALE: 1" = 15'



SITE PLAN
SCALE: NONE

NOTES:

1. TOTAL LEASE AREAS

A. FIRST FLOOR AREA = 2,092 Sq Ft
- OFFICE SPACE = 541 Sq Ft
- STORAGE SPACE = 687 Sq Ft
- HALLWAY & STAIRS = 262 Sq Ft
- SIDEWALK SPACE = 212 Sq Ft

B. SECOND FLOOR AREA = 1,638 Sq Ft
- OFFICE SPACE = 1,065 Sq Ft
- LANDING SPACE = 13 Sq Ft
- RESTROOM SPACE = 140 Sq Ft
- BALCONY SPACE = 420 Sq Ft

LEASE NO. L-13407	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	S. P. TARANTINO INSURANCE BROKERAGE, INC.	DRAWN BY: S. CHU; DATE: FEB. 27, 2004 CHECKED BY: P. WILLIAMSON; SCALE: PLACE CODE NO. 3030-0-0000; SHEET NO. OF SHEETS

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PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Advertise for Competitive Bids for Pier 48 Apron Repairs, Contract No. 2695

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ADVERTISE FOR COMPETITIVE BIDS TO REPAIR THE NORTH AND SOUTH APRONS AND REPLACE SUPPORT PILES AT PIER 48.

INTRODUCTION

Port staff requests that the Commission authorize the advertisement for competitive bids to repair the north and south aprons and replace support piles at Pier 48. Completing this work would conclude the majority of the capital repairs required to lease the facility as programmed in the 1999-2000 and 2001-2002 Capital Plans.

BACKGROUND

Pier 48 supports a two-shed complex of approximately 181,350 square feet located along the southern waterfront south of China Basin. The facility is currently vacant. To optimize the leasing potential of this pier, the Port has completed the following improvements due to fire damage that occurred on November 26, 1996:

- Under an emergency declaration approved by the Port Commission on December 13, 1996, Port staff completed Contract 2636 for the building shell repair and reconstruction work in 1988.
- In early 2002, Port staff completed Contract 2665 for the interior portion of the fire damage repair (i.e., installation of a code upgrade fire sprinkler system, restrooms, the building's electrical and mechanical systems, and provisions for access and egress in compliance with code and Americans with Disabilities Act requirements).

This Print Covers Calendar Item No. **6A**

- In June 2003, Port staff completed Contract 2673 for the seismic upgrade of Pier 48.
- In November 2003, Port staff completed Contract 2677 for the upgrade of electrical services to the pier.

BASIS OF REPAIR

Port Engineering staff conducted a Rapid Structural Assessment (RSA) of the Pier 48 aprons on October 21, 2003. The aprons were given a "yellow" structural rating because load-carrying piles were either missing of deteriorated at several locations. Staff also observed significant deterioration in portions of the south apron deck framing. The RSA recommended that vehicular loading on the aprons be limited to passenger cars and pick-up trucks pending a detailed structural assessment and implementation of a repair plan. Port Engineering staff have developed detailed plans of the piles that require replacement.

SCOPE OF WORK

Repair of the north and south aprons and replacing support piles will complete the repairs to Pier 48 programmed in the 1999-2000 and 2001-2002 Capital Plans. The proposed work entails the following:

- Removing existing asphalt on the north and south aprons to allow access to the underlying deck and deteriorated support piles and identification of areas of apron decking that require repair;
- Replace 157 missing or deteriorated piles with new plastic-coated piles;
- Repair areas of the apron identified in the RSA; and
- Re-asphalt the north and south aprons.

Port staff seeks Commission authorization to advertise for competitive bids for this construction project. The engineer's estimate for the proposed work is $800,000. Until the existing asphalt is removed, however, the full extent of necessary apron repair cannot be estimated with any accuracy. The project cost will be funded from Port capital funds for fiscal year 1999-2000 and 2001-2002.

Prepared by: Kathy Nakazawa, Project Manager, for
Ed Byrne, Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-26

WHEREAS, the Port has implemented numerous repairs to Pier 48 following the fire in November 1996; and

WHEREAS, to optimize lease opportunities, the Port has approved additional capital funds for further improvements for Pier 48, including the repair of the aprons; and

WHEREAS, the Port has completed structural exterior and interior repair, fire sprinkler upgrade work, seismic upgrade work, and electrical service upgrade work of Pier 48; and

WHEREAS, the Port staff's structural assessment of the Pier 48 aprons revealed deterioration and missing piles, and deterioration of the aprons which must be replaced and repaired to restore normal load-bearing capacity to the aprons; and

WHEREAS, these apron repairs at Pier 48 are necessary to maximize lease opportunities for Shed A and B; and

WHEREAS, Port staff has completed the design drawings and specifications for the proposed repair work for the aprons and replacement of damaged or deteriorated piles; and

WHEREAS, the estimated cost of the work is $800,000, which will be funded with Port capital monies; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for competitive bids to repair the north and south aprons and replace support piles to Pier 48.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 23, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval to enter into agreements with Battelle to accept reimbursement funds for technical services and materials provided by the Port in support of the federal CBP Radiation Portal Monitoring system installation at Pier 80.

DIRECTOR'S RECOMMENDATION: TO AUTHORIZE STAFF TO ENTER INTO AGREEMENTS WITH BATTELLE MEMORIAL INSTITUTE FOR TECHNICAL SERVICES AND MATERIALS TO PREPARE PIER 80 SITE IN SUPPORT OF CUSTOMS AND BORDER PROTECTION RADIATION PORTAL MONITORING PROGRAM

The Department of Homeland Security's Bureau of Customs and Border Protection (CBP) is the primary agency responsible for protecting the nation's borders. Thirty million cargo containers enter the United States through 360 seaports each year. Approximately 95 percent of all foreign trade come into this country through its seaports. CBP's goal is to screen all imported containers for unauthorized shipments of radioactive materials, without impacting the flow of commerce.

To accomplish this goal, CBP seeks to deploy and install radiation detection devices in the Pier 80 cargo terminal, and through Battelle Memorial Institute ("Battelle") seeks the Port's assistance in providing technical services (administrative, architectural and engineering) and materials for design and installation of the CBP equipment at Pier 80. Port staff wishes to cooperate with CBP and Battelle in this effort to improve Port security, and therefore, seeks Commission authorization to enter into an agreement with Battelle for the provision of such services in exchange for payment based upon time and materials expended by Port staff.

CBP is currently enhancing its capabilities to interdict the illicit import of nuclear and radiological materials and devices into the United States. In collaboration with local Port authorities, CBP is deploying radiation portal monitor (RPM) systems at seaport container terminals to provide early screening of targeted containers. A typical installation consists of

This Print Covers Calendar Item No. **6B**

primary and secondary RPMs as the automated inspection monitors for vehicles carrying import containers. When a vehicle passing through a primary RPM exceeds a predetermined radiation level, an alarm will notify CBP personnel, who will then route the vehicle to a secondary RPM for further assessment and inspection, as required.

Pacific Northwest National Laboratory (PNNL), operated by Battelle Memorial Institute for the U.S. Department of Energy, provides scientific and technical support to CBP and facilitates the deployment of radiation monitoring systems at U.S. ports of entry. PNNL and Battelle are currently assisting in the installation of RPM systems at the nation's 22 priority seaports. The Port of San Francisco is one of the designated priority seaports.

RPMs are devices that passively detect the presence of radioactive substances. The advanced technology used in the monitors was selected to satisfy stringent sensitivity and throughput requirements. This technology will complement other technologies already being utilized by CBP at ports of entry to search for contraband.

As presently conceptualized, the RPM system at Pier 80 will consists of one primary RPM, one secondary RPM, one CBP booth, and an inspection area located in the exit gate vicinity of the Pier 80 terminal. The Port of San Francisco will provide architectural and engineering services to finalize the design and obtain the necessary permits and approvals. The Port will prepare the Pier 80 site and install the RPM installation per CBP requirements. The RPM vendor will make the final power hookups to the RPMs and calibrate/test the portals. After this is done, CBP will take possession and operate the system pursuant to a sublease or agreement with Marine Terminals Corporation, the Pier 80 tenant. CBP and PNNL as seeking to make the Pier 80 RPMs operational in September 2004.

The proposed agreement between the Port and PNNL identifies the broad areas of technical services required by the CBP RPM Program. Specific statements of work and deliverables will be developed on a task-by-task basis and implemented through bilateral Task Orders signed between PNNL and the Port. The Port's administrative expenses and the technical services will be funded on time-and-materials basis by CBP through PNNL under the terms and conditions set forth in the Agreement and its attachments.

Therefore, staff request permission to perform administrative and technical work and to prepare Pier 80 site in support of customs and border patrol radiation portal monitoring program

Prepared by: Mabal Bhat
Senior Electrical Engineer

For: Ed Byrne
Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-27

WHEREAS, The Department of Homeland Security, Bureau of Customs and Border Protection (CBP), is the primary agency responsible for protecting the nation's borders; and

WHEREAS, CBP is currently enhancing its capabilities to interdict the illicit import of nuclear and radiological materials and devices into the United States; and

WHEREAS, The installation of Relocateable radiation portal monitor (RPM) systems at Pier 80 gates will provide early screening of targeted containers at the Port of San Francisco cargo terminal; and

WHEREAS, CBP and its contractor, Battelle Memorial Institute ("Battelle") seek the Port's technical expertise in the design and installation of the RPM system at Pier 80 in exchange for reimbursement of the Port's services; and

WHEREAS, The Port of San Francisco's engineering staff is qualified to provide technical design services to finalize the design and obtain the necessary permits and approvals for RPMs at Pier 80; and

WHEREAS, The Port maintenance staff proposes to prepare the Pier 80 site and install the RPMs per CBP requirements; and

WHEREAS, The RPM vendor selected by CBP and/or Battelle will make the final power hookups to the RPMs and calibrate/test the portals; and

WHEREAS, Upon completion of installation and testing of the RPMs, CBP will take possession and operate the system pursuant to a sublease of agreement with the terminal tenant; and

WHEREAS, the available funding for this project includes initial fixed price payment of $10,000 and reimbursement on time-and-materials basis by Battelle for the administrative, technical and Maintenance staff time and site preparation materials required for the project; and

WHEREAS, the Port of San Francisco staff can perform the timely administrative and technical work and prepare the Pier 80 site for the CBP radiation portal monitoring program; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the Executive Director to enter in to agreements with Battelle, in such form as approved by the City Attorney's office, and accept reimbursement funds on time-and-materials basis, for administrative, technical and site preparation work in support of CBP Radiation Portal Monitoring system installation at Pier 80.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 23, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Informational Briefing on the Port of San Francisco's Project to revisit its ADA Transition Plan.**

DIRECTOR'S RECOMMENDATION: Informational Only; No Commission Action Required

INTRODUCTION: Per the plan reported to the Commission on September 9, 2003, Port Staff has now revisited its ADA compliance programs, including:

1. Reviewing past ADA Transition Plan activities
2. Reviewing the Port's accomplishments to date
3. Conducting a new ADA Title II Self Evaluation and
4. Where necessary, develop a new ADA title II Transition Plan for removing architectural, administrative or procedural barriers to access.

Core objectives for the ***process*** included:

1. Assess past accomplishments but start from scratch;
2. Creation of a public participation process that includes individuals with disabilities or organization representing individuals with disabilities;
3. Creating an external and internal Peer Review system to oversee the project's process, procedures, and product.

This Print Covers Calendar Item No. **6C**

Core objectives for the ***plan*** are:

1. Being a comprehensive and dynamic document
2. Be revisited on a yearly basis to reassess priorities and funding requirements.
3. Address Best-Practices in accessibility rather than minimum compliance
4. Focus on Universal Design
5. Provide accessibility awareness and design guidance for both Port Staff and Tenants.

On April 27, 2004, Port staff will be returning to the Port Commission to request the approval of a resolution adopting the 2004 Port ADA Transition Plan and directing staff to implement that plan in a timely manner. Port staff is completing the re-evaluation of its previous transition plans and assessing accomplishments and remaining items for correction. The accessibility advocacy consultant and public participant members are expected to be present to provide feedback to the Commission about the Port's process to develop this project.

SELF-EVALUATION AND TRANSITION PLAN. The project began in August of 2003 as required by ADA Title II. The Self-Evaluation of the Port's programs and transition plan activities was begun.

- The previous self-evaluations and transition plans were collected and analyzed.
- Interviews were conducted with various Port departments and key personnel to determine the current state of the Ports programs and their conditions or accessibility to make these programs accessible. The process was utilized to assess the level of knowledge and understanding that the department had about their ADA compliance activities. The process served to provide continuing education to the department and their personnel.
- All public areas of the Port were visited and surveyed for architectural barriers. Outreach was made to various City and County of San Francisco agencies that are conducting construction work on Port property, to verify their compliance and coordination measures.
- Responsibility, preliminary schedules for implementation and cost information was developed for most of the architectural barriers identified during the survey. Some of these barriers are the responsibility of MUNI, Public Works, Redevelopment Agency or Department of Traffic, etc. (through Memos of Understanding created with the Port).

DISABILITY ACCESS COMMITTEE (DAC). The Port retained the accessibility advocacy firm of Magar & Milstein to assist in assembling a Disability Access Committee. ADA Title II and state regulations require a public review process. The public review is to include individuals with disabilities including organizations that represent individuals with disabilities. The committee includes the following individuals and organizations:

- Michael Kwok, individual and member of the Mayor' disability Council
- Denise Senhaux, Individual, mayors Disability Council
- Todd Higgins, Deaf Counseling Advocacy & Referral Agency
- Ken Kresse, California Center for Law and the Deaf

- Alonzo Carmichael, Mental Health Association of San Francisco
- Max Lane and Herb Levine, Independent Living Resources Center of San Francisco
- Jay Herndon, The ARC Stan Francisco
- Elizabeth Wantuck, Laura Clark, Hearing Society of the Bay Area
- Scott Duncan, Rose Resnick Lighthouse of the Blind
- Jul Lynn Parsons, individual, Mayors Disability Council

Other individuals and tenants of the Port have participated in some of the public meetings.

COMMUNITY INPUT PROCESS. Four public meetings and two work sessions were held with the DAC, and several separate work sessions. Notices for the public meetings were sent out through the Port's mass mailing list and several presentations were made to various Port advisory groups inviting their members to attend this process.

The dates of the public meetings were:

- October 22, 2003
- December 17, 2003
- January 20 2004
- February 24, 2004

The Self-Evaluation and the surveys of the Transition Plan were openly shared with the DAC and Port staff. The DAC and Magar & Milstein were instrumental in assisting in organizing the information into four basic categories, and providing input on the development or priorities and threshold issues. The DAC provided impassioned review and feedback that provided valuable impact on the overall process. The DAC's most important product is the document "Over-Arching Policies and Objectives for the Port's Transition Plan". This Transition Plan element is now titled "Policies and Objectives is essentially a code of conduct for the Port in integrating accessibility into its daily business activities, programs and products that it develops.

CAPITAL PROJECTS. The Port has several ongoing capital projects for removal of barriers. These projects fund the DAC and Self-Evaluation process, and provide capital dollars for actual construction projects that benefit accessibility. The Capital Projects directed towards accessibility projects are:

CPO 680 ADA Transition Plan	$383,452
CPO 724 Sidewalks	$50,000
CPO 613 Handicapped Accessibility	$20,955
Total	$454,407

In addition, $100,510.00 has been allocated to specific ADA projects in the 2004-2005 Capital Plan. The actual projects may be re-prioritized based upon the final approved transition plan.

ACCOMPLISHMENTS: The Port has a strong list of accomplishments in improving the accessibility of its program activities, services, facilities and public rights-of-way. Many Port staff members and certainly the previous ADA Coordinator Kevin Jensen contributed greatly to this effort. Most dramatic were the opportunities created by the 1984 earthquake that permitted the opportunities for complete revitalization of the Ferry Building, Pier 1 and the Embarcadero. Other development like the baseball stadium, Mission Bay, MUNI right-of-way projects, Hyde Street Harbor have greatly enhanced the accessibility of large sections of the Port property.

On a different scale there have been a significant number of Port Maintenance Work Order projects or other capital improvement projects that have greatly benefited accessibility. Recent work at Hyde Street Harbor, Warm Water Cove, Agua Vista Park, Pier 50 parking facilities, Terry Francois Boulevard at China Basin Park and Pier 9 have mitigate issues that would otherwise be cited as a barrier removal issue. Other accessibility projects are planned for Jefferson street sidewalks, Pier 35 Cruise Terminal, South Beach Harbor facilities and Terry Francois sidewalks.

A considerable amount of accessibility was leveraged through major these development, capital and maintenance projects. The Self-Evaluation identified this pattern, and the future programs should plan and capitalize upon it wherever possible. A higher quality of access can be achieved in this method than through conventional barrier removal programs.

Best practices are embedded into the Port's planning process. Astute decisions by the Port's waterfront planning department are creating one of the largest, accessible urban open space networks in the country. By addressing some modest issues, the Port can claim to be the one of the first public entities that complies with the US Access Board's newly adopted Recreation Access guidelines.

A second stratum of accomplishments has occurred in this period. Port staff is in the process of developing its own Port Building Code based on the San Francisco Building Code with amendments tailored to the unique marine and administrative conditions of the Port. The ADA Self Evaluation has had direct input into this process and provided the following products directly addressing accessibility for people with disabilities:

1. A prescriptive variance and exceptions request procedure for building permit applicants
2. Inclusion of the State Architect's Policy Statements and the City and County of San Francisco's Administrative Bulletins that address accessibility into one cohesive code amendment or Port Administrative Bulletin.
3. Draft guidelines for the placement and design of accessible passenger drop off areas and parking spaces on public-rights-of way that accompany a plan for addition of accessible parking on Port streets.
4. Draft of a min-building code for temporary events with temporary or portable structures.

These Port Administrative Bulletins and design policies provide valuable tools for tenants, architects and the Port architects and engineers in design of accessible facilities. The Port's building inspector will be able to use this tool to bridge the incomplete and gray areas of the current California Building Code accessibility requirements.
This is just one of the opportunities the Self Evaluation and Transition plan have provided to re-calibrates Port procedural guidelines. Others include Real Estate Department facility survey forms, engineering and Architecture Department policy manual, and proposed procedures for managing an accessible web site.

DETAILS:

Details on the Transition Plan are available for review from the Port's ADA Coordinator John Paul Scott (415-274-0571) johnpscott@sfport.com and located on the Port's Intranet Engineering Division site.

Prepared By
John Paul Scott
ADA Coordinator and Architect

For
Ed Byrne
Acting Chief Engineer Harbor Engineer.

PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Sue Bierman
Hon. Kimberly Brandon

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to advertise a Request for Proposals for Consultant's Services to Evaluate the Port's current organizational structure

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ADVERTISE A REQUEST FOR PROPOSALS FOR AN EVALUATION OF THE PORT'S CURRENT ORGANIZATIONAL STRUCTURE

Commission President Wilfred Hsu has requested a review of the Port's current organizational structure. Staff proposes to advertise for the services of a consultant to review the Port's current organizational structure with a view to improving the Port's overall effectiveness and efficiency. The Port's current organizational structure was established in 1997 and has not been reviewed in depth nor changed significantly since that time.

Staff proposes to issue a Request for Proposals to obtain the services of a consultant to review the Port's current organizational structure and make recommendations for possible change in the structure to improve the efficiency and overall performance of the Port.

The consultant's services will include: review of Port's current mission and strategic plan; review of the current organizational structure to determine if the structure supports achievement of the mission and strategic plan; recommend appropriate changes to the organizational structure, if needed; prepare a written report to the Port Commission with findings and recommendations.

It is anticipated that the cost for this project will not exceed $25,000, and will be funded through the Port's operating budget.

Prepared by: Joel Robinson, Director, Administrative Services

This Print Covers Calendar Item No. 7A

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-30

WHEREAS, the Port is committed to promoting a balance of maritime, recreational, industrial, transportation, public access and commercial activities in a safe, secure and self-supporting basis; and

WHEREAS, the Port's organizational structure has remained essentially unchanged since 1997; and

WHEREAS, demographic and economic changes that have occurred in the past seven years have affected management priorities; and

WHEREAS, the Port Commission has expressed a desire for a review of the Port's organizational structure; and

WHEREAS, to accomplish this important task, staff proposes to engage a consultant knowledgeable in the management practices and structures of successful organizations; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes staff to advertise a Request for Proposals for consulting services to perform an organizational analysis in amount not to exceed $25,000.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 23, 2004.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 17, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for authorization to issue a Request for Proposal (RFP) for Underwriter for a refunding of the Revenue Refunding Bonds, Series 1994

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO ISSUE A REQUEST FOR PROPOSALS FROM QUALIFIED VENDORS.

Staff has been planning refinancing of the Port's outstanding Revenue Refunding Bonds, Series 1994. The aim is to take advantage of the current low interest rate and lower the Port's debt service. As a result, staff has been working with Mayor's Office of Public Finance and the City Attorney to assemble a bond/finance team. The team on this transaction will include the Mayor's Office of Public Finance, Financial Advisors, Bond Counsel, City Attorney and Port staff.

Port staff is requesting the Port Commission to allow the Executive Director to issue a Request For Proposal (RFP) for bond underwriter because the Port does not have the resources to market bonds to investors. The amount of the contract will not be known until proposals are received, and staff anticipates seeking commission authorization to award the contract at a future Port Commission's meeting.

Prepared by: Chudi Chuba, Finance Manager

THIS PRINT COVERS CALENDAR ITEM NO. **7B**

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-31

WHEREAS, The Port desires to refinance its outstanding Revenue Refunding Bonds, Series 1994; and

WHEREAS, Staff has been working towards a refinancing with Mayor's Office of Public Finance and City Attorney; and

WHEREAS, Staff will also be working with Financial Advisors, Bond Counsel, and Underwriter; and

WHEREAS, Hiring an Underwriter for sale of the refunding bonds is necessary; and

WHEREAS, Staff has recommended the issuance of a Request for Proposal for Underwriter; now therefore, be it

RESOLVED, That the Port Commission hereby authorizes the Executive Director to issue a Request for Proposal (RFP) for Underwriter for the refinance of the Port's outstanding Revenue Refunding Bonds, Series 1994.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 23, 2004.

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Secretary

SAN FRANCISCO
PORT COMMISSION

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MARCH 23, 2004
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
MARCH 23, 2004

1. ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 3:15 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, Kimberly Brandon and Sue Bierman.

2. APPROVAL OF MINUTES - March 9, 2004 Meeting

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the March 9, 2004 meeting were adopted.

3. EXECUTIVE

4. CONSENT

A. Request for approval of amended Commission approved application for grant funds for $400,000 from the State Department of Parks and Recreation from the Murray-Hayden Program for the Pier 14 Public Pier Project, and authorization to accept and expend those grant funds. (Resolution No. 04-21)

B. Request for authorization to apply for, accept and expend $200,000 in grant funds from the State Resources Agency Land and Water Conservation Fund Program for the Brannan Street Wharf Project. (Resolution No. 04-22)

C. Request for approval of rent credit to reimburse AMB Pier One LLC for lender fees incurred in connection with lease line adjustment of Pier 1 lease. (Resolution No. 04-23)

D. Request for approval of resolution authorizing the Port Executive Director to execute the Administering Agency-State Master Agreement with the California Department of Transportation. (Resolution No. 04-24)

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution Nos. 04-21, 04-22, 04-23, and 04-24 were adopted.

5. REAL ESTATE

A. Request for approval of proposed assignment of Lease No. L-8993 from Franceschi Corporation to Mama Franceschi's, Inc. and proposed First Amendment to Lease No. L-

8993 between the Port and Mama Franceschi's, Inc., a California corporation, and approval of authorization for Executive Director to execute Assumption and Assignment Agreement and First Amendment to Lease No. L-8993. (Resolution No. 04-28) **THIS ITEM WAS TAKEN OFF THE CALENDAR.**

B. Request for approval of proposed terms for First Amendment to Lease No. L-13407 between the Port and S.P. Tarantino Insurance Brokerage, Inc., a California corporation, and approval of authorization for Executive Director to execute First Amendment. (Resolution No. 04-29) **THIS ITEM WAS TAKEN OFF THE CALENDAR.**

6. ENGINEERING & MAINTENANCE

A. Request for authorization to advertise for competitive bids for the Pier 48 Apron Repairs, Contract No. 2695. (Resolution No. 04-26)

Project Manager Kathy Nakazawa requested Commission's authorization to advertise for competitive bids to repair the north and south aprons at Pier 48. Completing this work would conclude the majority of the capital repairs required to lease the facility as programmed in the 1999-2000 and 2001-2002 capital plans. Port Engineering staff conducted a Rapid Structural Assessment of the facility. As a result, staff determined that several of the supporting piers need to be replaced in order to repair the aprons to a level that would accommodate higher levels of traffic other than what's currently allowed, which is passenger vehicles and pedestrians. The engineer's estimate is approximately $800,000.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-26 was adopted.

B. Approval to enter into agreements with Battelle to accept reimbursement funds for technical services and materials provided by the Port in support of the federal CBP Radiation Portal Monitoring system installation at Pier 80. (Resolution No. 04-27)

Senior Electrical Engineer Mabal Bhat indicated that the radiation portal monitoring system is a device that detects the presence of radioactive substances from imported cargoes. This work is being conducted under the Department of Homeland Security's Bureau of Customs and Border Protection (CBP). CBP has hired Pacific National Laboratories as their consultant. Port staff is assisting the consultant to prepare the site to install the radiation monitoring devices. Engineering staff will perform all technical support work. Maintenance staff will perform the site preparation work. Mr. Bhat requested Commission's authorization to accept the funds on a time and material basis. CBP will reimburse the Port for all administrative, technical as well as site preparation expenses for this project.

In response to Commissioner Brandon's inquiry about the revenue the Port will receive, Mr. Bhat replied that the Port will receive approximately $100,000 for the site preparation cost and additional technical services and expenses.

In response to Commissioner Hsu's inquiry about the project's cost to the Port, Mr. Bhat replied that the Port will not incur any cost since CBP will reimburse the Port for all the expenses it will incur.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-27 was adopted.

C. Informational Presentation regarding the Port's ADA Transition Plan and Policies.

ADA Coordinator John Paul Scott indicated that since the informational presentation on September 9, 2003, Port staff has now revisited its ADA compliance programs including:

- Review past ADA Transition Plan activities
- Review Port's accomplishments to date
- Conduct a new ADA Title II Self Evaluation and
- Where necessary, develop a new ADA Title II Transition Plan

Staff is trying to leverage items such as elevators or restrooms that cost a significant amount of money into other development projects. Staff is also attempting to assign the responsibilities back to appropriate agencies (Muni, Redevelopment Agency, and PUC) through Memos of Understanding with the Port. A Disability Access Advisory Committee was established and has met five times. Port staff has received community input and concurrence on the plan. This has been a positive process and it puts the Port in a very good light and very good working member with the disabled community. In order to get this plan fully embedded into the Port's organization, the Port needs to: (1) adopt a building code - some of the administrative procedures of the building code are essential to completing the ADA compliance measures; and (2) get the website accessible because it will be the primary method of communication with the public. This project will commence next month.

The Port currently has approximately $454,000 available for construction and administrative work on this project. Quite a bit of this money is already committed to certain projects rather than service fees. This project will identify the final cost.

Details of the Transition Plan are available for review from the ADA Coordinator and are also posted on the Port's Intranet Engineering Division site. Port staff will seek Commission's approval of the 2004 Port ADA Transition Plan at its April 27th meeting.

7. ADMINISTRATIVE SERVICES

A. Request for authorization to issue a Request for Proposals (RFP) for Consultant Services to evaluate the Port's current organizational structure. (Resolution No. 04-30)

Joel Robinson, Director of Administrative Services, indicated that in lieu of the Commission's request to the Executive Director to evaluate the Port's existing organizational structure and make recommendations for a more efficient and effective

organization, staff is requesting permission to issue an RFP for consultant's services to assist staff with this task. The Port does not have the needed expertise to adequately fulfill this request. The cost will not exceed $25,000. Staff will seek Commission's approval of the selected consultant at a later date.

Commissioner Brandon asked about the criteria and the guidelines the Port will use in evaluating the proposals. Mr. Robinson replied that the consultant will be asked to evaluate the Port's current structure using best practices for ports throughout the country. The consultant will make an assessment whether our structure could be modified to create a more efficient, effective operation, but not changing any classification, job/duties or responsibilities at the Port. The consultant will look at the existing assigned Civil Service classifications and put them in the proper configuration within the five existing divisions at the Port.

Commissioner Brandon asked if the consultant will also look at cross-divisional functions to find out if there are duplications. Mr. Robinson replied that the consultant will look for duplication, inefficiencies and the best practices across divisions and reassign existing responsibilities to the appropriate division to make it the most effective and efficient operation.

Commissioner Brandon asked about the criteria that will used to evaluate the consultants. Mr. Robinson replied that the consultant will be chosen based on their experience with Civil Service classification, with City and government agencies as well as best practices, skills and organization.

Commissioner Brandon asked if the evaluating committee will give preference to a consultant who has experience in Port functions. Mr. Robinson replied that staff will look at the overall composition and qualification of the team that can create an effective organization. A consultant with Port experience would be a plus.

Commissioner Brandon asked about the composition of the evaluating committee and the decision process in selecting the consultant. Mr. Robinson indicated that the proposals will be reviewed by administrative Port staff in consultation with the Commission. Staff will present to the Commission its recommendation for the top three candidates and subsequently will seek its approval of the selected consultant. Staff will be back to the Commission prior to making the final decision. A copy of the RFP will be forwarded to the Commission for their review.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-30 was adopted.

B. Request for authorization to issue a Request for Proposals (RFP) for Underwriter for refunding of the Revenue Refunding Bonds, Series 1994. (Resolution No. 04-31)

Joel Robinson, Director of Administrative Services, requested Commission's authorization to issue an RFP for an underwriter to refinance the Port's existing bonds to take advantage of the current low interest rates and lower the Port's debt service.

Approximately $23+ million bonds that were issued in 1994 remain outstanding. They are eligible to be refinanced in July 2004. Staff would like to take the opportunity to accomplish these savings by refinancing the existing bonds.

Bob Cornwell, CSG Advisors - the Port's financial advisor, indicated that approximately $23+ million of the 1994 revenue bonds are still outstanding at interest rates of 5.5% to 9%. Rates today in those maturities would be between 1% to 3%. Even though the outstanding balance is not large, the savings for refinancing are significant because the interest rates are at an all-time low. Because the bonds have not been callable until this year, the Port was not able to refinance.

Conservatively, the present value refunding current savings today is approximately $1.5 million assuming that:

- There will be no extension of the term of the bond. The bonds payoff in 2009.
- It is refunded at the current bond and escrow rates.
- The July 1, 2004 payment is made from funds on hand.
- The Port can obtain AAA bond insurance at a competitive price.

Because interest rates fluctuates, his conservative estimate of the present value saving would save the Port about $1.5 million. The Port financial condition is not as good as good as it was a few years ago. Revenues continue to hold; expenses have risen. During the financing process, they will need to convince the rating agencies and the bond insurers that the refunding will strengthen the Port's credit. The annual savings over the next four fiscal years would be about $900,000 a year. It will substantially reduce the expense line in the Port's financial statements. During the process of restructuring the bonds, they will also address the Port's financial condition. This refunding is prudent for the Port and it will help its overall financial condition.

Mr. Robinson requested Commission's approval for staff to issue an RFP for an underwriter for the refunding of the bonds. Staff has been in contact with the Port's bond rating agency and is supportive of the refinancing as long as the term of the bonds is not extended.

Commissioner Brandon asked about the criteria in which the underwriters will be evaluated. Mr. Robinson replied that the Mayor's office of Public Finance, and the City Attorney's office will be assisting staff in not only putting together the RFP but also in the evaluation and selection of the underwriter. Staff will return to the Commission before making the selection.

Commissioner Brandon indicated that in the past, staff was also looking at not only refinancing but also seeking additional funding of other projects. She asked if the Port will be seeking additional funding within the bond structure. Mr. Robinson replied that the bond raters are not supportive of the Port seeking additional loan at this point. Doing so would downgrade the Port's rating. They are only supportive of the refinancing of the current bonds for the savings on a yearly basis and not extending the credit.

Commissioner Brandon asked when the RFP will be completed. Mr. Robinson replied that it is almost complete and it will be provided to the Commission for their review.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-31 was adopted.

8. NEW BUSINESS/PUBLIC COMMENT

Ernestine Weiss, Golden Gateway Commons, requested that the addresses/location of the real estate properties should be listed on the agenda. She inquired about the date of installation of the fountain next to Pier 7 since the Pier 1-½, 3 and 5 project will commence construction on April 1st and who will be in charge of it. Executive Director Wong replied that he would check with staff and get back to her.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 3:40 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND PENDING LITIGATION MATTERS (Discussion Items)

a. Discuss existing and pending litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (3 cases):

- Claim of Deborah O'Brien (Claim No. 03-04310)
  Discussion of claimant's settlement offer.
  THIS ITEM WAS TAKEN OFF THE CALENDAR.

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.
- In re Pacific Gas and Electric Company, Debtor, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01-30923.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 45, Shed C
Person Negotiating: Port: Peter Dailey, Maritime Director
*National Liberty Ship Memorial (Jeremiah O'Brien): Rex Clack

b. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

c. Property: Pier 23
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Piers 23 Café: Flicka McGurrin

d. Property: Pier 24 Annex
Person Negotiating: Port: Ken Winters, Director of Real Estate
*The GAP: Don Fisher

e. Property: Seawall Lot 355
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Pacific Cement: Ricardo Ramirez
THIS ITEM WAS TAKEN OFF THE CALENDAR.

10. RECONVENE IN OPEN SESSION

At 5:45 p.m. the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Brandon moved approval to adjourn executive session and reconvene in open session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

11. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 5:45 p.m.

SAN FRANCISCO PORT COMMISSION

DOCUMENTS DEPT.

APR - 9 2004

SAN FRANCISCO
PUBLIC LIBRARY

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner

Douglas F. Wong, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

AGENDA

REGULAR MEETING
3:00 P.M., TUESDAY, APRIL 13, 2004
PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - March 23, 2004 Meeting

3. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) PUBLIC EMPLOYEE APPOINTMENT/HIRING (Govt. Code Section 54957)

      - Discussion and possible action to nominate qualified applicant for the position of Port Executive Director who will have the management responsibilities of the Port of San Francisco, whose name shall be submitted to the Mayor for consideration for appointment pursuant to Charter Section B3.581(h).

      (2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

      a. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant)

b. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (3 cases):

- In re Pacific Gas and Electric Company, Debtor, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01-30923.

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.

- Approval of Consent Order in the matter of State of California Department of Toxic Substances Control, Port of San Francisco Respondent, Docket No. 2003-0108.

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 35
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Metropolitan Stevedore Company: Jim Callahan

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 35.

b. Property: Pier 92
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Specialty Crushing: Tom Chasm

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 92.

c. Property: Seawall Lot 349
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Sims Group USA: Jimmie Buckland

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at SWL 349.

d. Property: 498 Jefferson Street
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Franceschi's Restaurant: Paul Capurro

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at 498 Jefferson Street.

e. Property: Pier 9
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Think Twice: John Whitney

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 9.

f. Property: Seawall Lot 356
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Affordable Self Storage: Christo Kasaris

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at SWL 356.

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

5. EXECUTIVE

A. Executive Director's Report

- Construction commences on Piers 1-½, 3 & 5 Historic Rehabilitation Project
- Port of San Francisco awarded $5 million for the Illinois Street Bridge Transportation Project

6. ADMINISTRATIVE SERVICES

A. Request for authorization to refinance the Port's Outstanding Revenue Refunding Bonds, Series 1994. (Resolution No. 04-33)

7. PLANNING AND DEVELOPMENT

PLEASE NOTE: ITEM 7A WILL BE TAKEN OUT OF ORDER AND HEARD AT APPROXIMATELY 5 P.M.

A. Request to extend the date for the Port Commission to endorse the terms of a Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project. (Resolution No. 04-32)

8. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

9. ADJOURNMENT

APRIL 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
April 13	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
April 27	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
May 11	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
May 25	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 1st Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

April 8, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for Authorization to Refinance the Port's Outstanding Revenue Refunding Bonds, Series 1994

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO REFINANCE THE BONDS.

BACKGROUND

Section 9.112. Revenue Bonds of the Port Commission gives the Port Commission exclusive power to perform or accomplish issuance of revenue bonds for Port-related purposes, as provided in Section B7.305 of the City and County of San Francisco Charter.

In June 1994, the Port Commission issued its Revenue Refunding Bonds, Series 1994 totaling $53.6 million. Approximately $23.2 million of the original $53.6 million of the Revenue Refunding Bonds, Series 1994 remains outstanding at interest rates of 5.5% to 9%. Current rates in those maturities would be 1+% to 3% which is lower than the bonds existing rates. Port staff calculates that refinancing at current rates would save the Port approximately $1 million annually in debt service. As a result, Port staff is requesting the Port Commission's authorization to refinance the outstanding bonds.

Port staff has been planning refinancing of this Port's outstanding Revenue Refunding Bonds, Series 1994 in order to take advantage of the current low interest rate and lower the Port's debt service. Port staff has been working with Mayor's Office of Public Finance and the City Attorney to assemble a bond/finance team. The team on this transaction will include the Mayor's Office of Public Finance, Financial Advisors, Bond Counsel, City Attorney, and Port staff.

STAFF RECOMMENDATION

Port staff recommends that the Commission allow the Executive Director to pursue a detailed proposal for Commission's review and action to refinance the outstanding bonds.

Prepared by: Chudi Chuba, Finance Manager

THIS PRINT COVERS CALENDAR ITEM NO. 6A

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-33

WHEREAS, The Port Commission of the City and County of San Francisco (the "Commission") has the authority pursuant to the City and County of San Francisco Charter, Article IX to publicly issue debt or revenue bonds to enter into lease financing arrangements ("Port Bonds"); and

WHEREAS, The Commission has previously issued $53.6 million Revenue Refunding Bonds, Series 1994 in June1994; and

WHEREAS, Approximately $23.175 million of the original $53.6 million of the Revenue Refunding Bonds, Series 1994 remains outstanding and are callable on July 1, 2004 at 102%; and

WHEREAS, The Port desires to refinance the outstanding Revenue Refunding Bonds, Series 1994 in order to reduce the Port's current debt service; and

WHEREAS, Port staff will work with Mayor's Office of Public Finance, City Attorney, Financial Advisors, Bond Counsel, and Underwriter to refinance the outstanding bonds; and

WHEREAS, Staff has recommended the refinancing of the outstanding Revenue Refunding Bonds, Series 1994; now therefore, be it

RESOLVED, That the Port Commission hereby authorizes staff to work with consultants to prepare a detailed proposal for Commission's review and action to refinance the Port's outstanding Revenue Refunding Bonds, Series 1994.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 13, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

April 8, 2004

TO: **MEMBERS, PORT COMMISSION**
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Request to extend the date for the Port Commission to endorse the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project.**

DIRECTOR'S RECOMMENDATIONS: EXTEND THE DATE FOR THE PORT COMMISSION TO ENDORSE THE TERMS OF A REVISED DEVELOPMENT MEMORANDUM FROM APRIL 13, 2004 TO JUNE 8, 2004.

I. EXECUTIVE SUMMARY

On January 13, 2004, the Port Commission by Resolution 04-07 approved the Second Amendment to the Exclusive Right to Negotiate with S.F. Piers 27-31 LLC ("Developer") for the Piers 27-31 Mixed Use Recreation Project. This Amendment extends the Exclusive Right to Negotiate to January 18, 2005 and sets forth certain Performance Benchmarks to be met. Performance Benchmark #3 requires the Port Commission to endorse a Revised Development Memorandum, including a Revised Preferred Alternative Project and financial terms of the Lease, in a public hearing by April 13, 2004. Performance Benchmark #6 requires the Developer to present its Revised Preferred Alternative Project to the Port Commission at least twice during this extension period, specifically no later than April 13, 2004 and another no later than September 15. 2004.

Since the January approval, the Developer has taken a number of actions to meet the Performance Benchmarks, including reworking the site circulation plan, changing the programmed land uses on the site, conducting meetings and exchanges with the interested community and presenting the project before the Port's Northeast Waterfront Advisory Group (NEWAG). The Developer also has met with Port staff regarding the financial terms and conditions of a Revised Development Memorandum, but, to date, the Port and Developer have agreed neither on the Revised Preferred Alternative Project nor on a Revised Development Memorandum. The Developer has requested an extension to June 8, 2004, the date of the first Port Commission meeting in June, to complete further changes to the plan and to negotiate the financial terms so that the staff may present a recommendation to the Port Commission concerning the Revised Development Memorandum.

This Print Covers Calendar Item No. 7A

Under the terms of the Second Amendment to the ERN, if the Port Commission fails to endorse the terms of the Revised Development Memorandum as required by Performance Benchmark #3 on or before April 13, 2004, such failure is not to be considered an Event of Default subject to cure, but is to result in the termination of the ERN. However, the Commission has the authority under the ERN, to "waive or extend the times of performance" of benchmarks. Staff recommends an extension of times of performance for both Performance Benchmark #3 and Performance Benchmark #6 be granted from April 13, 2004 to June 8, 2004.

II. BACKGROUND

The Port and the Developer are parties to an Exclusive Right to Negotiate agreement, dated June 13, 2001 ("ERN"). This document, and amendments, sets forth the terms and conditions upon which the Port and Developer will seek to complete a Lease Disposition and Development Agreement (LDDA), a Lease, and related documents necessary to develop a mixed-use recreation project at Piers 27-31.

Section 4.c of the ERN requires the Developer to prepare a plan of development for the Preferred Alternative Project according to a certain schedule and, once completed and approved by the Executive Director or his designee, to enter into a Development Memorandum. The Development Memorandum is a non-binding document which, however, is intended to "set forth the terms and conditions which must be agreed upon by Developer in the proposed Lease before the Executive Director of the Port will recommend to the San Francisco Port Commission and the Board of Supervisors that the Lease be approved."

The ERN also includes certain Port Conditions, which the Port Commission requires be met as a condition of its approval to award the ERN (attached as Exhibit A of this Staff Report). These 13 conditions reflect the major goals of the original RFP and Commission policies concerning programmed uses at the site, financial terms and requirements to address environmental issues raised by development of the site.

In satisfaction of one of the requirements of the ERN, in March 2002, Developer and the Port's Executive Director entered into a non-binding Development Memorandum that set forth the general terms upon which the parties would negotiate the transaction documents. Since the execution of the original Development Memorandum, the Developer has submitted several formal revisions to the Preferred Alternative Site Plan: on July 3, 2002, August 2, 2002 (used for the submittal of the Environmental Assessment application to the San Francisco Planning Department's office of Major Environmental Assessment), April 4, 2003 (presented to the Port in an Informational Presentation), and June 12, 2003 (presented to the Port in an Informational Presentation and further explained in a September 23, 2003 letter to the Executive Director).

On January 13, 2004, per Resolution 04-07, the Commission authorized the Executive Director to enter into a Second Amendment to the ERN, extending the term of the ERN through January 18, 2005, subject to certain fees, Performance Benchmarks and other terms set forth in Staff Report dated January 7, 2004. The Port granted this extension to provide time for the extensive set of

regulatory approvals needed from the Port and other agencies, including to complete an Environmental Impact Report, and obtain approval of the Development Agreement and Lease.

Among the revised Performance Benchmarks, Performance Benchmark #3 requires that no later than April 13, 2004 the Port Commission, in a public meeting, "endorse" a Revised Development Memorandum that establishes a Preferred Alternative Project that reflects the Port Conditions (unless modified or waived). Performance Benchmark #3 states that the Revised Development Memorandum is to include, among other items:

- Material lease terms and rent terms with reasonably specificity;
- Types and percentages of recreation-related trust retail;
- Types of, and limitations on, predevelopment costs for which Developer receives a preferred return after payment of the Port's base rent.

Also relevant to the Revised Development Memorandum is Performance Benchmark #2, "Changes to Preferred Alternative Plan" which requires Developer to provide pertinent information, including, but not limited to:

- Development cost projections;
- Preliminary cash flow projections (including development costs and detailed operation pro formas for the first 10 years of operations).

Performance Benchmark #6 requires at least two presentations on its Revised Preferred Alternative Project be given by the Developer to the Commission, one of which is to be by April 13, 2004.

Following extensive community testimony at the January 13 public hearing, the Commission offered to take certain steps to enhance community outreach by the Port (see Minutes of the January 13 meeting). The Commission agreed to hold the April 13 public hearing on this matter at 5:00 p.m., to make it more convenient to the general public. Port staff agreed to carry out certain actions as well: (a) to return to the Commission at its April 13 hearing with the results of discussions ongoing between the Developer and a group named "Citizens to Save the Waterfront"; (b) to report on the outcomes of the Joint Waterfront Design Advisory Group and the Bay Conservation Development Commission's Design Review Board (WDAC/DRB) reviews; (c) to change the meeting time of at least one of NEWAG's meetings from 4:00-6:00 p.m. to 5:00-7:00 p.m. in order to accommodate public interest in NEWAG's review of 27-31; and (d) to hold at least one additional, separate, community meeting at a different time and location than the regular NEWAG meeting, and to provide extensive notice of that meeting to the community-at-large.

III. STATUS OF THE PROJECT

Status of the Performance Benchmarks:

- **#1 - Tentative Schedule**. Developer provided a tentative schedule to the Port on January 19, 2004
- **#2 - Changes to Preferred Alternative Project.** In process - Developer formally submitted portions of a Revised Preferred Alternative Project, specifically, a revised Integrated Recreation Plan, and a revised Public Area Access Diagram, to the Port on March 31. These were reviewed before the Port's NEWAG at its meeting later that same day and were then sent

by the Developer to the City Planning Departments' Major Environmental Analysis unit, now preparing the City's EIR on this project, as revisions. (See Performance Benchmark #4 below, as well).

Developer has requested the City Planning Department's Major Environmental Analysis Unit acknowledge the need for a time extension to prepare a new Project Description for the project, once the Port Commission endorses a new Revised Preferred Alternative Project. This new description will be required before the Draft Environmental Impact Report can be prepared.

- **#3 - Revised Development Memorandum.** Since January 13, Port and Developer have met seven times; topics have included a review of proposed changes to the site plan and program of uses, review of definitions of indoor recreation and recreation retail, and negotiations on a Revised Development Memorandum. Additional meetings have been carried out between the Developer and the Port's real estate negotiation team, including Bay Area Economics (BAE), on the financial terms.

- **#4 - Community Outreach.** Developer has met with the NEWAG on three occasions at its regular meetings (February 4, March 3 and March 31) and co-sponsored along with NEWAG and the Port a special Piers 27-31 Site Walk-Through (Saturday, February 21). At these NEWAG sessions, Developer presented information on its site plan, public access and recreation programs and responded to questions from NEWAG members and interested citizens.

  In addition, Developer met with the Port, representatives from NEWAG, and staff from BCDC and State Lands staff -- along with representatives from the group named "Citizens to Save the Waterfront" (CSW) -- on two occasions, January 28 and February 12. Letters subsequently were exchanged between the two parties concerning certain site planning proposals that had been described by CSW to the Developer. In its primary response, Developer restated its willingness to continue meeting with CSW, although it did not feel that the CSW initial site planning ideas were viable.

  Other meetings the Developer has attended with community groups include the Telegraph Hill Dwellers on February 11 and the San Francisco Planning and Urban Research Association (SPUR) on January 15 and February 19.

  Meetings with regulatory bodies also have continued: with the State Lands Commission staff and the Port on January 20 (to obtain staff agreement for substituting non-Trust indoor recreation for non-Trust retail); and with the Joint WDAC/DRB on February 9 (to respond to requests by that body to prepare additional alternative analyses of curb cuts and other circulation issues).

- **#5 YMCA Fundraising.** Developer presented a YMCA report to the Port in February 2004.

Status of Port Staff outreach efforts.

- **Site Walk-Through of Piers 27-31 Sponsored by NEWAG.** As noted, Port staff supported the efforts on the part of NEWAG and the Developer to host a 4-hour meeting, site walk-through and question-and-answer session on February 21. For that meeting, extensive electronic and print mailings were carried out with the result that about 50-60 people attended the walk-through, about half of whom appeared generally acquainted with the details of project. Many were from the nearby residential district.

- **Additional mailing list development and email communication.** Names provided via sign-up sheets and outreach communication yielded about 30 additional names which have been added to the Port's mailing list for communications concerning this topic.
- **NEWAG meeting of March 31, from 5:00-8:15pm.** The Port's NEWAG agreed to host a meeting beginning at 5:00 on March 31, which was largely devoted to a review of the Piers 27-31 project. About 50 community members attended the meeting, held at Pier 1.

VII. STAFF RECOMMENDATION

Recommendation: The ERN states at Section 4.e., "Waiver of Performance Benchmarks," that the Port Commission reserves the right, at its sole discretion, "to waive or extend the times of performance of the Initial Performance Benchmarks and Additional Performance Benchmarks...." Port staff recommends that the Port Commission adopt Resolution 04-32.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-32

WHEREAS, On January 13, 2004, the Port Commission approved Resolution by 04-07, the Second Amendment to the Exclusive Right to Negotiate ("Second Amendment ERN") which extends the Exclusive Right to Negotiate (ERN) with S.F. Piers 27-31 LLC ("Developer") to January 18, 2005, and includes certain Performance Benchmarks; and

WHEREAS, Performance Benchmark #3 requires the Port Commission to endorse a Development Memorandum, including a Revised Preferred Alternative Project and financial terms, in a public hearing no later than April 13, 2004; and

WHEREAS, Performance Benchmark #6 requires the Developer to present its Revised Preferred Alternative Project to the Port Commission at least twice during this ERN extension period, specifically no later than April 13, 2004 and another no later than September 15. 2004; and

WHEREAS, Since the January 13 approval, the Developer has taken a number of actions to meet the Performance Benchmarks, including working further on the site plan, changes to the programmed land uses on the site, conducting meetings and exchanges with the interested community and presenting the project before the Port's Northeast Waterfront Advisory Group (NEWAG); and

WHEREAS, The Developer also has met with Port staff regarding the financial terms and conditions of a Revised Development Memorandum, but, to date, the Port and Developer have agreed neither on the Revised Preferred Alternative Project nor on a Revised Development Memorandum; and

WHEREAS, The Developer has requested an extension to June 8, 2004 to complete further changes to the plan and to negotiate the terms so that the staff may present a recommendation to the Port Commission concerning the Development Memorandum; and

WHEREAS, The Commission has the authority under the ERN, to "waive or extend the times of performance" of benchmarks; now, therefore, be it

RESOLVED, That the Port Commission hereby agrees to extend the times of performance of Performance Benchmark #3 and Performance Benchmark #6 from April 13, 2004 to June 8, 2004; and be it further

RESOLVED, That the Executive Director or his designee is hereby authorized and directed to take all such action as is necessary to implement the extension of Performance Benchmarks #3 and #6 to June 8, 2004.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 13, 2004.

_____
Secretary

EXHIBIT A

PORT CONDITIONS FOR PIERS 27-31 RECREATION PROJECT
(As approved by the Port Commission on April 18, 2001)

1. The lease should include very specific use requirements for creating and retaining the RFP Required Uses throughout the lease term.
2. The lease should include very specific restrictions on the use of the retail space, restricting retail uses to active recreation-related uses and a very limited amount of other retail space.
3. There should be commitments from the developer to recreational programs and activities that are free to the public in both the indoor and outdoor spaces.
4. The maritime and recreational boating elements need to be further defined, clarified, and such uses should be developed to the maximum feasible extent.
5. Comprehensive detailed planning, including design and programming, of the Northeast Wharf Plaza is required to make this area usable to the public.
6. The developer should be responsible for all development costs of the project, including all utilities, public restrooms and open space, excluding only the rent credits as provided in the RFP (50% of the Base Rent for the first three years).
7. The developer should take the appropriate steps necessary to seek 20% Investment Tax Credits for the Rehabilitation and Restoration of Historic Structures to insure the preservation of the site's eligible structures in accordance with the Secretary of the Interior's Standards.
8. Negotiations required regarding terms of Port participation in sale and financing proceeds, and participation in historic tax credits.
9. Transportation issues:

a. Through the environmental review process, specific transportation impacts and required mitigation measures need to be identified.
b. Parking should be for short-term use only (not employee parking) with priority for users of the recreation facilities.
c. The developer needs to work with the Port, MUNI and the Embarcadero Task Force to expand public transportation to the Site.
d. The developer must develop and implement an effective Transportation Demand Management Program.

10. The development program should be changed to better address Required Uses, limit Permitted Uses so that they are ancillary, and eliminate uses not permitted. These changes should include:
    a. Significantly reduce the amount of office, retail, and eating and drinking space.
    b. Expand the interior space devoted to Recreational Enterprises.
    c. Add other or restructure Recreational Enterprises, so that all the active recreation uses are not operated by a membership club (San Francisco YMCA).
    d. Do not add or expand other Permitted Commercial Uses, such as Assembly & Entertainment or Visitor Services.
    e. Eliminate the Artisans' Gallery, which is not a permitted use.
11. The location of uses needs to be reorganized so that the entire open space network is activated. Commercial uses and open space need to be better integrated. Site planning changes are needed to address wind and shadow affects resulting from removal of the Pier 27 shed and construction of new building, as well as to address design guidelines.
12. Specific fund-raising milestones are required for San Francisco YMCA. Satisfactory guarantees of completion, including the YMCA building, are required from an entity other than one whose only asset is the lease for the Site.
13. The Base Rent, percentage rent and other rental must be at fair market and must comply with the terms indicated in the RFP.

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APRIL 13, 2004
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
APRIL 13, 2004

1. **ROLL CALL**

Commission President Wilfred Hsu called the meeting to order at 3:20 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, Kimberly Brandon and Sue Bierman.

2. **APPROVAL OF MINUTES** - March 23, 2004 Meeting

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the March 23, 2004 meeting were adopted.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 3:22 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT/HIRING (Govt. Code Section 54957)

- Discussion and possible action to nominate qualified applicant for the position of Port Executive Director who will have the management responsibilities of the Port of San Francisco, whose name shall be submitted to the Mayor for consideration for appointment pursuant to Charter Section B3.581(h).

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant)

b. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative

Code Section 67.10(d) (3 cases):

- In re Pacific Gas and Electric Company, Debtor, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01-30923.

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.

- Approval of Consent Order in the matter of State of California Department of Toxic Substances Control, Port of San Francisco Respondent, Docket No. 2003-0108.

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 35
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Metropolitan Stevedore Company: Jim Callahan

b. Property: Pier 92
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Specialty Crushing: Tom Chasm

c. Property: Seawall Lot 349
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Sims Group USA: Jimmie Buckland

d. Property: 498 Jefferson Street
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Franceschi's Restaurant: Paul Capurro

e. Property: Pier 9
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Think Twice: John Whitney

f. Property: Seawall Lot 356
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Affordable Self Storage: Christo Kasaris

4. RECONVENE IN OPEN SESSION

At 5:25 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman made a motion to disclose an action by the Commission on the nomination of the Port Executive Director. Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

Commission President Wilfred Hsu announced that the Commission by unanimous vote decided to nominate Monique Moyer for appointment of Executive Director effective May 6, 2004.

ACTION: Commissioner Hardeman moved approval to not disclose any other information discussed in executive session; Commissioner Brandon seconded the motion.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in open session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

5. EXECUTIVE

A. Executive Director's Report: Acting Executive Director Byron Rhett reported the following:

- Construction commences on Piers 1-½, 3 & 5 Historic Rehabilitation Project. The San Francisco Waterfront Partners (SFWP) have been working with the Port for a number of years to develop Piers 1-½, 3 and 5. The project closed escrow and the Port entered into the lease with SFWP a week ago for the 75,000 s.f. of development. Today, they commenced construction of the 15,000 s.f. of restaurant and 60,000 s.f. of office space and public access. Mr. Rhett thanked San Francisco Waterfront Partners, in particular, Simon Snellgrove, the project manager for the development, California Teachers Retirement System and Hornblower. He also acknowledged the following Port staff for all their efforts on this project: Kirk Bennett, Neil Sekhri, and Jennifer Sobol.

  Commissioner Hardeman asked who was responsible for the excellent press over the last couple of days regarding this project. Mr. Rhett thanked Renee Dunn for the public relations and the real estate staff for their efforts in the Hornblower/ Pier 3 negotiations.

- Port of San Francisco awarded $5 million for the Illinois Street Bridge Transportation Project. The Port has been working for some time to develop a new rail bridge in the southern waterfront. Recently, the Port was awarded $5 million Transportation Grant for the construction of the Illinois Street Bridge. The overall cost of the bridge is approximately $21 million. It was through the efforts of House Democratic Leader Nancy Pelosi that the Port was able to secure the $5 million grant to supplement the monies that were already raised for the bridge. Construction is anticipated to start in July of this year. Congresswoman Pelosi was also successful in securing transportation grant monies for other bay area projects including the Doyle Drive project. The Port is appreciative of her efforts.

He also acknowledged the following Port staff for their efforts: Diane Oshima, David Beaupre, Melissa Lo, Adrian Souza, Public Affairs staff and John Davey. A special thanks to Taline Sanassarian who led this effort to locate the funding opportunity and worked closely with Ms. Pelosi's office.

6. ADMINISTRATIVE SERVICES

A. Request for authorization to refinance the Port's Outstanding Revenue Refunding Bonds, Series 1994. (Resolution No. 04-33)

Finance Manager Chudi Chuba presented the item and requested Commission's approval. The item before the Commission is a request for authorization to refinance the revenue refunding bonds, Series 1994. However, based on the City Attorney's advice, the request was slightly amended as noted in the resolution. The amended request is for the Commission to authorize staff to work with consultants to prepare detailed proposal for the Commission's review and action to refinance the outstanding bonds. Port staff previously indicated the intention to refinance these bonds. As stated in the staff report, the Port has approximately $23 million outstanding from the previous $53.6 million bonds that were issued in 1994. Also indicated in the staff report is the fact that the current rate for the bonds is lesser than the rates at the initial offering. Staff would like to refinance the bond to take advantage of the currently low interest rates. Staff calculates that the refinancing at current rate would save the Port approximately $1 million annually. Staff is currently in the process of assembling a bond team which comprised of Port staff, the bond counsel, financial advisor, City Attorney and Mayor's Office of Public Finance. The bond counsel has already been selected through the City Attorney. Previously, the Port Commission approved the issuance of the RFP for Underwriter. Once the bond team is assembled, staff needs to pursue a detailed proposal for the refinancing. The detailed proposal will include preliminary official statement, indenture trust, first supplemental indenture trust, escrow agreement, notice of sale and bond purchase agreement. Due to the amount of work and time required to prepare these documents, it is important for staff to obtain the Commission's authorization to pursue the detailed proposal for review. Staff is also in the process of selecting the financial advisors. However, CSG Advisors are currently acting as the Port's advisor until one is officially selected.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-33 was adopted.

7. PLANNING AND DEVELOPMENT

A. Request to extend the date for the Port Commission to endorse the terms of a Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project. (Resolution No. 04-32)

Project Manager Lynda Swanson requested Commission's approval of staff's recommendation to extend the date for the Port Commission to endorse the terms of a development memorandum from April 13, 2004 to June 8, 2004. The purpose of this

request is to make it possible for Port staff to continue its negotiations with San Francisco Piers, LLC also known as the Mills Corporation, toward completing a revised preferred alternative plan and a development memorandum including certain financial terms that staff is still negotiating. The staff report recites the set of performance benchmarks that the Commission requested staff to pursue in the time period allotted. They include continuing to work toward material lease terms and rent terms with reasonable specificity to identify and agree on the types and percentages of recreational related retail, to agree on the types of and limitations on pre-development costs on which the developer receives a preferred return after payment of the Port's base rent. Relevant to the development memorandum is another performance benchmark which would include developing cost projections on which the entire project could be evaluated and preliminary cash flow projections. In addition, there is a performance benchmark included in the original recommendation stating that the developer would come before the Commission at least twice. One date would be no later than today to provide the Commission a status report. Since staff has not completed its negotiations with Mills, staff is requesting the Commission's indulgence to provide additional time to continue its work. She pointed out that Section 4e, Waiver of Performance Benchmarks, of the original ERN states that the Port Commission reserves the right at its sole discretion to waive or extend the times of performance benchmarks that might be involved at the time. She also pointed out that staff as well as the developer agrees to take certain actions between January to date including conducting a number of community meetings and walk-throughs. The Commission asked staff to find an opportunity at a time other than the normal day and time for the Northeast Waterfront Advisory Group to meet. An important site walk-through was conducted on February 21. A healthy response was received from the community at the meeting. In addition, NEWAG altered its regular meeting time to start at 5 p.m. and had a large public review of the project regarding the recreational, retail, public and open spaces. Port staff completed all the activities the Commission requested and so has the developer with respect to the other performance benchmarks. Staff is requesting the extension to deal with the Revised Preferred Alternative and the Revised Development Memorandum.

Toby Levine, NEWAG Chair, indicated that there were some negotiations between Mills, State Lands Commission, Port staff and the Citizens to Save the Waterfront. They also attended the Citizens to Save the Waterfront meeting held at Telegraph Hill. They also sponsored the tour Lynda Swanson mentioned which Commissioner Bierman attended. The tour was helpful to the community. They also went to State Lands Commission last week to appeal and to loosen its definition of trust use. SLC was sympathetic. They will try to figure out if there are some ways that they can help in stretching the idea that some aspects of indoor recreation were trust compliant. Finally, in the last month, a meeting was held to give the public an opportunity to meet and share their input about their thoughts and feelings about the Mills project. Both Port and Mills staffs responded to the public. They received interesting suggestions from the public such as America True add whale boating to their activities. NEWAG has not taken a position of the preferred alternative. They are pleased with the progress that has been made on the design of the YMCA. They would like the Commission to do the best it can to demand that the active recreation of the Mills project be expanded,

especially the 85% recreational retail that had been one of the Port's benchmarks, offering things such as sports shop, different retail recreational activities, clothing, etc. She also mentioned the fact that the preferred alternative had not been reached because of the ongoing negotiations. It creates a problem because the public would like to see the draft EIR and the various figures relating to traffic and parking. Without a preferred alternative, there is no draft EIR. The project continues to evolve and continues to get better. With the public taking an active role in trying to improve the project, it can and it will get better. One of the reasons the Commission chose the Mills' project was the fact that it has active, affordable recreation. It was a very important piece and it continues to be an important piece in the public's and NEWAG's mind.

Steve Jacobsen, Executive Vice President of the Mills Corporation, indicated that as project sponsors, they were prepared to do a full presentation but in the spirit of where they are at, the best use of their time was to get the issues in front and to recapitulate where they've been and where they're heading. As they have in the past, they will work diligently with staff over the next 60 days in good faith to get an agreement that is acceptable to both parties. The project sponsor never lost focus in what makes this project great i.e. affordable recreation. There have been a lot of changes to the plan and a lot of public input. At the end of the day, the focus of this project is affordable recreation. When things have been brought up that in their opinion affected the ability for Mills, YMCA and America True to deliver the affordable recreation, that's when they have heartburn and had not had agreements. They have always been open minded and focused on affordable recreation. In the past three years, they have conducted dozens of meetings with community groups and interested parties from Telegraph Hill Dwellers to San Francisco Skateboarders Task Force. They held ten special district meetings virtually every neighborhood in San Francisco. They met with the NEWAG in public sessions. They have been before the Port Commission at least six times in open session. They have been before the joint Port/BCDC Design Review Board six times in open session. There has never been a project in San Francisco that he's aware of that has gone through as much vetting, debate, public and government input as this project. This project is about bringing affordable recreational opportunity for everyone in the City from the children at Bayview Hunters Point to the senior citizens at the Tenderloin and everywhere in between. This will be accomplished in mixed-use project through a tremendous YMCA on the bay, America True's innovative marine program and 469,000 s.f. of courts, fields, and active affordable recreation for all. They continue to work diligently on meeting needs of the community. They have signed a historic agreement with City Car Share that would create up to seven free spaces for this program. They are working with Muni and have met with Market Street Railway this afternoon towards working a workable and viable E-line that will run from CalTrans to Fisherman's Wharf. They are working on parking agreements with Surface Lots and parking garages in the area towards increasing the number of parking spaces available while at the same time using the guidelines of the City's Transit First standards as a barometer. This project benefits the City in many levels. They are proud to have a historic agreement with Local 2 to lower the card check threshold to 15 employees. They are proud that the San Francisco Building Trades are supporting this 100% union project which will generate 1200 union jobs during construction. This

project will infuse the City and the Port with millions of dollars through smart, economic growth. Ultimately, they are most proud of giving the people of San Francisco and the bay area affordable recreation and open access to the bay. They have shown in good faith and have met with Citizens to Save the Waterfront three times, one of which involved State Lands Commission. They have agreed not to convert any office space to retail. They have locked themselves into 184,000 s.f. of retail, recreation and restaurants, which is not even the size of a community strip center. When they hear about the comments of mega mall, 184,000 s.f. in most regional malls is not even an anchor store. It is a very small piece of the overall complex. They took out a 30,000 s.f. of retail and inserted a state-of-the-art family bowling center. NEWAG was able to get State Lands to put the recreational bowling back into the project, a 25,000-30,000 s.f. of indoor recreation. Mills agreed to fully cooperate with the various business groups along Embarcadero to lead a traffic management task force. Mills have agreed to spearhead the task force because traffic is an important issue. They worked very closely with North Beach, Fisherman's Wharf and Pier 39 merchants in a joint marketing alliance. Mills Corporation is a global developer. When they market projects, they market them across their portfolio. When they are marketing a project in New York, they're also marketing it in California. When they are marketing a project in California, they are marketing it in New York, Madrid, Italy and elsewhere. When they market this project, they have committed to market the region, not their specific project. They are willing to sit down with the appropriate marketing directors with each of the companies to make sure they are conveying the right information and getting out the right message beyond the confines of the bay area. They also agreed that at least 50% of the retail uses and the project will be recreational in nature. They are agreeing to take a major piece of the retail that is left in the project. They will have retail that is non-competing to Pier 39 and other uses that the opposition claims they are competing against. What they have not agreed to do was a complete redesign that would put the entire concept of affordable recreation in jeopardy. If they believe that it affects the ability for YMCA to provide affordable recreation, for Mills to provide 45% of the piers as open space, for America True to provide affordable recreation and boating for kids that don't have access to the waterfront, there will be a problem. They too want affordable recreation just like everybody else. They stand behind that concept. Before State Lands' decision, Mills had 463,000 s.f. of indoor/outdoor recreation. They currently have 469,000 s.f.; an increase of 6,000 s.f. They put back the 25,000 s.f. of indoor recreation and are working with Byron Rhett and others for another 11,000 s.f. of indoor recreation be put back in the project. They are negotiating in good faith. They have done everything that the Commission has asked them to do. They have met with various community groups and will continue to be dedicated to provide the best project for this City and the bay area, focusing on affordable recreation. He respectfully requested the Commission to grant them the 60-day extension. They will negotiate in good faith like they have over the last three years. This is a project that is good for all. This is truly a project that is good for the bay and San Francisco, opening the waterfront to everybody and providing affordable recreation for all walks of life.

Ms. Swanson indicated that the Exclusive Right to Negotiate (ERN) states at Section 4.e., "Waiver of Performance Benchmarks," that the Port Commission reserves the

right, at its sole discretion, "to waive or extend the times of performance of the Initial Performance Benchmarks and Additional Performance Benchmarks..." Port staff recommends that the Port Commission adopt Resolution No. 04-32 which would extend the current second amendment of the ERN from April 13, 2004 to June 8, 2004.

Stan Warren, San Francisco Building & Construction Trades Council, represents 29 union construction affiliates comprised of over 20,000 working members of the construction industry. The Piers 27-31 project has undergone both public and government scrutiny resulting in a project that has practically met all concerns thus far. Naturally, there are folks that disagree with all or parts of this project. There are many special interest groups including the council he represents that have expressed their vision of the project. This project has been in process for the last 3- ½ years with an estimated $19 million spent to accommodate everybody's concerns. Once this project is approved, all San Franciscans including the working members he represent will be afforded additional recreational opportunities not just a fortunate few. This project will span over an 18-24 month period and creating 1200+ union jobs. Their members will be the recipient of not only $80 million± in payroll but apprentice training, health and welfare benefits, pension contributions and a decent wage. The San Francisco Bldg. Trades Council encourages the Commission, the developer and all participants involved in this process to continue the hard work necessary to move this project forward and ultimately enjoy the fruits of their labor.

Jon Gollinger indicated that Citizens to Save the Waterfront is a coalition of neighborhood, local businesses, environmental and transit groups who have been focused on this issue for the last several months. He thanked the Commission for holding the public hearing for later in the day to make it easier for members of the community to come. He encouraged the Commission to do the same when the Commission makes an actual decision on this issue be on June 8 or otherwise. In the room today is just a tip of the iceberg, the array of San Franciscans who are deeply concerned with the way this project stands as proposed. On their behalf, they support the staff's recommendation to delay the Commission's decision of approving the development memorandum, the revised project alternative, the financial terms for another 60 days, with the qualification that the Commission reserves the right as they have today to cancel the ERN at that time. The resolution states the Commission reserves that right but wanted to be sure that the Commission still has the power in 60 days to cancel the ERN rather than lock itself in for the rest of the year if Mills have not met the terms. They have sponsored two community meetings in the last two months, attended by more than 150 San Franciscans to educate the citizens about the project. They also talked to about more than 500 individuals on the street about this issue. Their concerns range from the excessive retail space. More than 2/3 of the indoor space of this project is dedicated to retail, restaurants and office space, and not indoor recreation. 80% of the frontage on Embarcadero Street is dedicated to retail pursuit. 80% of what people see when they walk by is not recreation but retail shops, which a concern. More than 7,000 new car trips a day are estimated to come to this project primarily because of the retail heavy nature. He advised the Commission to make one specific change to the resolution. Mr. Jacobsen mentioned that they have

agreed to some concessions to the community. Those were not agreements that anyone on the community asked for or were thankful for. Those were things that Mills had wanted to do all along and decided to do. In fact, on February 27th, Mr. Jacobsen wrote a letter on behalf of Mills stating that effectively cancels the negotiations. It says, "For all of these reasons, we cannot entertain the proposals that you presented to us." They are unwilling to consider substantive changes to the public. Citizens to Save the Waterfront proposed the following amendment to the resolution, "Resolved, that the Port Commission instructs the developer to make revisions to the project plan that would resolve the serious concerns raised by interested community groups and individuals." In 60 days, they don't want to see the Commission in the same position as today which is the developer saying they've talked but made no changes. They hope that the Commission will act to get something done.

Paul D. Scott, President Telegraph Hill Dwellers, indicated that the office component was originally 270,000 s.f. and has dropped to 206, 000. Retail has gone up from 111,000 to 139,000. The restaurant space has remained about the same from 55,000 to 50,000. Indoor recreation has gone down from 157,000 to 138,000. When this Commission awarded the ERN to Mills, it did so on the specific condition that they significantly reduce the amount of office, retail and eating and drinking space. Each of them has to be reduced independently and recreation was supposed to increase. The retail on this project is higher than it was. Restaurant is about the same. The indoor recreation has gone down. Everybody knows about the history of the project and how unhappy people were when the project was awarded to Mills. For a project to be in a worst position now on fundamental things like the retail component, which is going to look and feel like a mall and for the recreation to go down, it's a problem. They are hoping that the Commission will keep that in mind 60 days from now. Someone gave him a scrapbook with articles about 50 years of development along the waterfront. There are pictures of all sorts of wild schemes for the waterfront with high-rises that people wanted to build, and on some cases, were built. People have lots of ideas. This project will be the Commission's legacy. It's a 23 acre development and the Commission needs to either stand firm and help the City to do something that they will be proud of in years to come or they can let Mills go ahead and build a mall. Mr. Jacobsen referred to 184,000 s.f. like a strip mall. It represents four football fields worth of space. It's bigger than Pier 39. He hopes that the Commission will help the community and push Mills to do the right thing. When they talk about affordable recreation, they are talking about their bottom line. Their company is traded on the New York Stock Exchange. They need to come forward and negotiate in good faith and help the City add the recreation component that they knew they have to provide when they took this deal.

Mark Miller, Principal and CEO of MK Think and consultant to Citizens to Save the Waterfront, indicated that they were brought in to critique the project and explore possibilities to improve it from a variety of opportunities and engage with productive dialog with the development team and the Port. The handout summarizes the project analysis and critique and tries to put content to some of the dialog. Real problem still exists with the project. The current plan versus the plan that was submitted at the stage of the RFP has not materially changed. The building is approximately in the same

location; it was only shifted slightly. The way the project flows is essentially the same. The recreation today represents less than 25% of the indoor space in the project. A lot was mentioned about the affordability of the recreation. In terms of their preliminary analysis right now Pier 27 is over 200,000 s.f. A development decision was made and proposed to BCDC and State Lands to demolish the building. Pier 27 needs to be slightly altered to make the voter-mandated park exist. The facility is available today for recreation. Mr. Scott mentioned that 200,000 s.f. of retail restaurant is the size of Pier 39, it's not a small project. The project could improve. The only way it's going to improve is if real negotiation and real dialog happens, sitting down and working through the issues and try to figure out a way to make the traffic and parking improve, define ways for the recreation to co-exist with commercial interest in a synergistic way, not a side by side way. In the name of accessibility, make the project more accessible to the citizens of San Francisco and the visitors of the City. The only way to get at the water sports basin, which is the highlight and heart of the project, is to either walk around more than half a mile at the perimeter or go through a pathway that is 25 feet wide and almost 200 feet long and flanked them both sides by retail. All the access points have that same condition. In the 60-day period, they encourage a real dialog, the spin set aside and the real conversations to happen and hopefully they can come back with a plan that the people will be happy with.

Paul Wermer, representing Neighborhood Network and Pacific Heights Residents Association, pointed out that both groups have common concerns. The waterfront is a Citywide treasure and resource. While Pacific Heights is not immediately adjacent to this area and the neighborhood network includes residents from Market, Duboce triangle and Bernal Heights, they all value the waterfront and the decisions made have Citywide impacts both in terms of recreational opportunities and in terms of traffic. There are significant traffic issues, not just the congestion and public transit, which Mills has taken steps to address but also in the immediate traffic flow around the proposed construction. They clearly declined to address it in their February 27th letter. These lead to safety hazards for pedestrians, bicyclists as well as people loading and unloading from the passenger zone. They lead to congestion because of the traffic flow of their current design that apparently can't be changed without impacting affordability. They are concern about poor communication with the community. Neighborhood Network is very active in community concerns. As a member of the Pacific Heights Residents Association and as a member of the Board, in spite of his attempts to find out about meetings, he was unable to. They did not hear about the district meetings. This may be a function of the level of publicity and communication that Mills has undertaken. He believes that the communication with the neighborhood needs to improve if claims about broad community understanding and support of their plan are to be taken seriously. If the Commission agrees to extend as requested in today's proposal, he urged the Commission to follow the recommendations of the Citizens to Save the Waterfront in holding better, more community meetings and negotiating with the Citizens to Save the Waterfront to address their concerns.

Carol Brownson, San Francisco resident, indicated that the more she comes to know about this project, the more she's impressed by the analysis and the proposals of the Citizens to Save the Waterfront. They seem to have the best interest of the citizens.

She hopes that their proposal be taken seriously.

Al Dockus, Telegraph Landing Condominium resident, indicated that if the project goes forward, they will live directly across the street from the "mall." This project will be a mall. The Mills Corporation is in the business of creating malls and they may well be the best in the world at doing that. He invited everyone to visit their website and browse around and see their product. The following is their stated mission: "Our mission is to deliver superior shareholder value by creatively developing, acquiring, merchandising and managing a diversified portfolio of exceptional domestic and international retail and entertainment destinations." The site has full descriptions of the 31 worldwide mall projects developed and managed by Mills. He defied anyone after reading that information to come to any other conclusion regarding their true purpose, which is simply retail mall development. The site also has a sub-category for their properties, "21st Century Retail" and Piers 27-31 is listed. Their mission for that category is: "Ground-up development of full-price retail and entertainment properties..." Retail is what it's all about. We don't need another Pier 39 in this area. No one should deny any corporate entity the right to make a profit. He, however, have some problems when that entity has misrepresented their methods and purpose. The systematic diminishment of proposed parking; the initial misrepresentation of actual water space being included within the total proposed recreation space, the lack of a realistic traffic study, etc. He loves sports and all activities surround them. This project is certainly exciting and, in another venue, he would embrace it. Everyone is rightly concerned about the amount of parking that will be available and there isn't enough of it. Even less when you consider other proposed projects for this area (the Exploratorium and the 55 Francisco Condo). He believes that it will be the additional traffic generated because of the project that will be the major downfall of any success this project proposes. There are traffic problems on the Embarcadero. Those of them living in the area already know what it's like. It's a mess! He defied anyone not familiar with the current traffic pattern to try driving in the area during rush hour and after mid-afternoon during the weekend. It gets worse when the tourist population increases. He cannot even imagine what it will be like should this project go forward. No one will want to drive to this area to stand in traffic. If they build it, will they come?

Vedica Puri, Parc Telegraph, spoke on behalf of many residents who live in the area, in the condominium complexes and in the Wharf 1 and Wharf 2 plaza, which is a senior and low income and disabled housing. The folks she represents are very concerned about this project. She showed a graphic of the condominium complex where they live, the Piers 27-31, the proposed Exploratorium and the 51 condos proposed at 55 Francisco. All three developments are massive, all within a block of their community. They know the northeast waterfront is a great popular area but they cannot sustain, unmitigated, unchecked growth like that proposed by Mills. They are very worried about the cumulative effect of the three projects on their neighborhood. Secondly, recreation. They need the Commission to hold Mills beat to the fire. The recreation component is not satisfied by just having the YMCA and America True. Those are great programs. They have great people coming to the community meetings. They talk a really good game but it's not enough. They haven't done enough for the

indoor recreation. Third, good faith negotiations. They are hearing this a lot from the Mills representatives. She has attended every community meeting, every walk-through, anything having to do with this project. The bottom line is they are not in good faith negotiations. She read a quote from the *San Francisco Chronicle*, April 9th edition, in which Sam Singer said, "We wouldn't be doing this if it didn't pencil out. It's only a small minority of self interested people who don't want to see this move forward." She begged to differ, it's a big majority of people who are concerned for their neighborhood. Mr. Jacobsen said today that he's never seen a project that has been through this much debate. It's because there's never been this kind of precious property at stake, this kind of neighborhood, this kind of livelihood; it's going to affect so many people. However long it takes. She's not ashamed to say it's taken three years to get to this point. We must spend the time; we must hold Mills' feet to the fire and urged the Commission to accept the Citizens to Save the Waterfront's proposal.

Blaire Whiting understands that there is a great deal of difficulty for those who live nearby. She has chosen to spend the rest of the days of her life in San Francisco. She has discovered that when something is built and it is useable, to take it away is a waste. There are very few places in the world that she and her husband did not visit during their many years of travel. They have discovered that people don't take away what's there; they use it. Mills want to take down Pier 27. No matter what happens, they know the project can be accomplished without tearing down Pier 27. She attended a meeting at Telegraph Hill Landing last week, the young architects have ideas of what to do with that building and should be considered. She begged the Commission to think through it before they concede.

Jill Berry indicated that there's a lot them in the community who will come together to fight this project or to bend it to make it more recreation oriented. She brought up the issue of parking and traffic. Whenever a development is proposed in San Francisco, there is not adequate parking or adequate access. She was glad that Mills is looking into the transportation issue. She strongly recommended that the Commission take into account what they proposed and see if it would be adequate to get visitors to and from their area. If they build it and they come, can they get home? That's another issue. She travels the Embarcadero by bus, trolley or car. Since she lives a block away from the project, it is imperative that the traffic patterns, parking and the public transportation be adequately addressed before this project moves forward.

Ron Kaufman, Kaufman Group, spent the last 44 years restoring properties in the northeast waterfront. He represents the majority of the businesses and the properties in the area adjacent to the project except Levi's Plaza. They are working in concert with Levi's Plaza. His concerns are not focused on the uses but rather on the universal concern i.e. traffic, parking and transit. Their traffic and parking consultant estimated that there would be at least a thousand or more deficits in parking. Mills have consistently stated that there is a solution in the neighborhood garages. None of the garages in the neighborhood have been willing to lease one parking space because none is available. They are at capacity. They have repeated that argument continually. Unless the parking and traffic issues are solved for the benefit of all, no matter what uses are decided upon or how big the project is, there will be no project. The people in

the community received the NEWAG notice for the 31st on April 1st, post dated from the Port on the 31st. If the Port wants participation from those who are representing views of the neighborhood, he urged that the Port get their notices earlier than the day of the hearing.

Commissioner Bierman noted that it is very important to have the notices sent to the public well advance of the meeting.

Bill Kedem resident of 101 Lombard, lives within a block of the project. He's been following the project since it's RFP stage. He has a lot of concerns but will address mainly the parking and traffic issues. He has the December traffic study together with the latest Market Street Railway newsletter saying that the F-line service is being cut back. There will be more than a serious traffic and parking issue. He suggested that the ERN not be extended any further than June 8th unless there is a substantial traffic mitigation measure provided to the Commissioners at that time. It simply should be cancelled at that time. The traffic report is insufficient. It was kindly provided to him by the Mills Corporation. There's a lot of different kind of information floating around from different groups in the neighborhood and in the City, but Mills have been helpful to him as a resident. Mills Corporation is a global corporation, very capable of dealing with the people of San Francisco. Until they deliver a parking and traffic mitigation report that is meaningful and helpful to the City and will improve the quality of life for the City and the public, this project should not go forward.

Michael Franklin, Levi's Plaza general manager and member of NEWAG, indicated that he has a long-standing commitment to the north waterfront, both professionally and personally. As the person in charge of this larger development, he understands the issues involved in the development that Mills is proposing. When they developed Levi's Plaza their purpose was that it integrates with and worked harmoniously with the neighborhood into which they will position themselves and not detract from that neighborhood. When they developed the plaza, they had very specific requirements relative to parking, traffic management and transit mitigation without which the project couldn't even be considered. They have 869,000 s.f. of office space. They were tasked to create 840 parking spaces. They were charged $5.1 million to mitigate the transit impacts and to increase public transportation to Levi's Plaza. They were also required to build more than 100 units of low cost, senior citizen housing. They were happy to oblige because they understood the relevance of maintaining the neighborhood in which they are bringing the specific, unusual and unique balance of the north waterfront. There have been no such requirements that he has ever seen relative to Mills. There have been attempts to provide 200 parking spaces where more than a thousand are needed and in a rather cavalier statement that the others can be picked up in the neighborhood. He has the largest garage in the neighborhood and one that Mills originally mentioned as being amenable to picking up their overflow. He does not have any spare space; if he did, he would save it for his tenants. He has an 18% vacancy in the plaza and no parking available. Any parking that he has or create will go to his tenants. He believes that he is in the same position as all the other garages that Mills mentioned. Traffic mitigation and the overall devastating effect of lack of proper consideration and concern for this can have on the neighborhood

weighs heavily on him as it does on many others. He does not think that waiting to discuss it after the EIR has come out is the right way to do it. They need to have a thorough understanding within the next 60 days as to exactly, what, how and where traffic will be mitigated and therefore will not be the denigration of the neighborhood in which Mills will place itself.

Tanya Hoffmoen, Telegraph Hill Dwellers member, is against the Mills project for many reasons but traffic in particular. To her making a U-turn on the Embarcadero boggles her mind. She hails from Paris but she's an American citizen. In Paris, they are using buildings that come from the middle ages. They don't destroy them; they empty them, modernize the inside but the outside remains the same so it is harmonious to the rest of the city. San Francisco is beautiful and she does not want San Francisco to turn into a mega mall.

Alec Bash, NEWAG member, attended many community meetings the past six months regarding this project. He also worked as a planner for the City & County of San Francisco for 30 years. It is with that background that he comes before the Commission. The F-line is absolutely critical to the success of further development on the waterfront and urged the Port and the City to find a solution to the cutbacks that are currently planned and some ability to expand in the future. There have been some wonderful improvements in the project. America True, the design of the YMCA Building, the historic preservation to the sports valley are very good. The area of his greatest concern is the program that is there. He anticipates that the revised preferred program that will come before the Commission will not be responsive to the exhibit conditions that were approved by the Commission in April 2001 when it approved the ERN for this project. As other speakers have indicated, while the office space has gone down, the retail and restaurant spaces have gone up and the interior recreation space decreased. Of those four categories, only one has moved in the direction that the Commission has asked for. He believes that it is appropriate for the Commission to provide clear direction for the negotiation over the next two months before it comes back to the Commission for approval. One way is to add another resolved clause to the resolution which states, "Resolved that the Port Commission reaffirms its conditions as approved by the Port Commission in April 2001 and in particular, condition #10, regarding changing the development program to significantly reduce office, retail and eating/drinking establishments and expand the interior space devoted to recreational facilities." That type of clear direction to the negotiations would be appropriate. It does not involve any new policy on the Port Commission's part. It simply continues forward and highlights what it has already adopted.

Josh Hart, San Francisco Bicycle Coalition, indicated that they appreciate the efforts of the developer to add extensive bicycle parking as part of the project including free valet parking for those arriving on bicycles. However, they must continue to oppose this project as it is currently defined based on the traffic consultant estimate that at least four cars per minute cross the Embarcadero Promenade. They feel that this is an unacceptable impact on users of the bay trail both those using the bike lane on the Embarcadero and those on the promenade. With cars queuing to make a right turn into the complex, there will be significant impacts on the bicycle lane with cyclists being

forced to merge into the main travel lanes as a result of this congestion. The pull out and drop off zone will be areas of danger along the heavily used bike lane both for cars entering the drop off zone and from cars pulling back into traffic. He requested that no on-site parking is built into this project and encouraged the developer to seek an alternate parking location, perhaps across the street. The value of our bay trail is that it does not have any intersections that provides for a conflict free route for San Francisco residents and tourists who experience the waterfront. By allowing parking on the bayside of the bay trail, we diminish the value of this valuable resource to San Francisco residents. The narrowing of the Embarcadero promenade in front of the proposed project to its narrowest point along the entire waterfront should be a warning sign to the Commission and to the public. A project like this should be required to enhance bicycle pedestrian and transit access to the most extent possible to reduce the impacts from automobiles and automobile congestion. He encouraged the Commission to extend the negotiations to 60 days and encouraged the developer to consider these impacts to the community especially to look for off-site parking arrangements across the street with access from a side street, not the Embarcadero, which is a critical bicycle route.

Jeffrey Pollack, representing the Original Fisherman's Wharf Restaurant Association, indicated that they are troubled by this project. There are five main north/south routes going through the eastern part of San Francisco, Van Ness, Third Street, Kearny, Columbus and Embarcadero. The association had just concluded a study with the Port and BCDC on the beautification and traffic of Fisherman's Wharf. Traffic and transportation were the main problems. One must understand that with I-280 dumping on the Embarcadero via King Street, with the ballpark, the new Ferry Building, Pier 39, Fisherman's Wharf, Aquatic Park, Ghirardelli Square, the Anchorage and the Cannery, there are not enough traffic lanes. It is fully impacted as Third Street and Van Ness. With Mills proposed project, it will mean absolute gridlock. This idea initially was a failed idea. He knows of no business group or any residents that live in this area that are in support of this project. After all, the City is supposed to think about the residents and the businesses that are there. Herb Caen, called this City the City that knew how. With this project, it's the City that does not have a clue.

Nan Roth mentioned that she's concerned about the notices not going out for the NEWAG meeting. She was concerned that the notices had not been sent out to the broad mailing list that they had originally discussed should be notified. The stated objective in the RFP for this project was the creation of a mixed-use recreation project. There were required uses which include recreation, open space and public access. There were also permitted uses, which included maritime uses as well as commercial uses such as general office, retail, restaurants and parking but only ancillary to the required uses. The commercial uses that are currently part of this project do not meet the requirements. She has heard no one defend the current ratio of recreation to commercial use. Recreation currently makes up only 26% of the project. This is not what they envision when they prepared the RFP. Mills has confirmed that the current square footage including restaurant use exceeds that of Pier 39. If Pier 39 is not a mall, she does not know what is. How can you defend that in good faith. Look at the widespread impact on Fisherman's Wharf when Pier 39 opened, particularly the

impact on Ghirardelli Square and the Cannery. This project does not include compensatory parking. When Mills was originally designated as a developer for this site, 13 conditions were established that had to be met before the ERN was awarded. Mills' conditions were structured to bring the project into conformity with the RFP. Mills never fulfilled those conditions, yet they were awarded the ERN. She urged the Commission to act on Alec Bash's suggestion to incorporate this new condition into the motion. Mills is one of the most successful REIT's in the country. Their dividend yield is 5.7%. How many investments offer that kind of a return? Mills earns 42% profit margin as compared with the industry's average of 22%. Their return on equity is 25% as compared to 7.7% industry wide. Mills has continuously rejected their request that they consider adding more recreation implying that they couldn't afford to do so. None of the top 20 companies in this category come close to Mills return or equity. Yet, the RFP requires that they take into consideration the public benefit being offered in establishing a fair market base rent. She was extremely troubled by the idea that the Port is giving Mills a rent break when they never provided the recreation benefit that was the intent of the RFP. This RFP was written for an entirely different type of business entity. If the requirements are significantly altered, it seems to her that the RFP has to be rewritten and the project rebid. Otherwise, there is a risk of a legal challenge if Mills is not to fully comply with the requirements of the RFP.

Mel Washington, SF Black Chamber of Commerce President, indicated that we have to take into consideration the employment and the union jobs this project will generate during this time of economic downturn. He asked the Commission to approve the 60-day extension and give the parties the opportunity to work out the final details. They have moved forward from the disagreement they had at the beginning and they are requesting the time to be able to come to that conclusion. It will be in the best interest of all San Franciscans.

Ian Lewis, HERE Local 2, indicated that Mills Corporation has signed, without question, the best right-to-organize agreement with their union in the modern history of San Francisco's restaurant industry. They have set a new standard for developers to meet when they come to the City to deal with the service workers who keep the City running on a daily basis. These are the kinds of long-term jobs they need to keep the waterfront and the whole City accessible to working class people. He encouraged the Commission to continue the negotiations for a couple more months and hoped that this project comes to fruition soon.

Dawn Riley, America True/Mills, indicated that the initial concept was to make this a recreational project that is open to everybody. They are continuing to make sure that this will happen in the marine sports basin. The Lake Merced program, in its third year of operation, will train the future users of this project so that they will be safe and out enjoying San Francisco bay. They have a similar program in Marin starting this summer and another at Bayview Hunter's Point starting August 14th. They continue to define the programming. For instance, whale boating is added to the dragon boating. A whaleboat is a little more sea worthy in San Francisco bay. They have confirmed that rowing shelves are not good. If they go over a 3 foot wave, they will break in half and sink. They are continuing to get all the experts to give their input and they are inviting

everybody to continue with the public comment. She is available anytime anybody has a suggestion. A speaker pointed out that there's only one way to get to the marine sports basin when in fact there's actually seven if you don't count the fact that people will come into the marine sports basin by a boat. The bottom line is that this will be an awesome project. She is ready to get people out in the bay.

Martie Bolsinger, YMCA, reminded everybody that this waterfront is for everybody. The people who live on it and the people who work on it have chosen a wonderful place to live and work but it is a waterfront that is for everybody. They are trying to bring everyone to the waterfront whose resource it really is. She represents the YMCA and they have been involved in this project for many years. She has been to most of the community meetings. She travels the neighborhoods all the time. She's always asked how the project is going. There are a lot of people in the community who are very excited about this project and the opportunity for them to be able to use the waterfront.

Marc Bruno, President of St. Vincent De Paul Society in North Beach and Chinatown as well as Vice President of the Telegraph Hill Dwellers indicated that Mr. Jacobsen mentioned that nothing in San Francisco has taken this long to be vetted by the San Francisco community. Moscone Center took longer than 3-½ years and was considered a success because of it. It's a success because the community, primarily Filipino, was given an opportunity to provide their input on what happens to their neighborhood. The baseball stadium, another a successful project, took more than 3-½ years. The public input was important and vital for the long-term success of the stadium. It's not only a question of naysayers in Telegraph Hill, which is unfortunately, how Mills views them and it's not true. They love and need this neighborhood more than Mills, which is based in Potomac, Maryland. This place is vital and important that it be commercially integrated into the neighborhood. When Mills speak of recreational retail, it shows that they want it to be profitable as a mall. They want people to stay inside the shopping mall. He encouraged the Commission to visit the Great Mall in Milpitas, one of Mills malls. He showed the Commission pictures of some of Mills' projects. They built approximately 27 malls, none of which were built on the water. They built the malls in the suburbs because that's where malls are usually built. Steve Jacobsen said that 184,000 s.f. is the size of a small anchor in a typical retail mall, which is probably the case because retail malls are not in cities. He challenged him to find an anchor store of 184,000 s.f. in a city. It simply doesn't exist.

Paul Sullivan, Bricklayers & Allied Craftworkers Union, indicated that they understand the concerns of the community but they need the jobs that this project will generate. One speaker spoke about the destruction of one of the piers. That pier is not viable as a building. It's not well constructed. If they could save it, they will. However, they are saving most of the historic component of the piers. They are making accommodations as far as helping to fund the Muni and light rail cars. There is parking at the turn going into the pier. A limousine company is currently renting the space. Vehicles are going in and out of the pier right now. He understands their concerns and he hopes that they will work with Mills to get this project done. It's important to his community and to the people that work in the City that need jobs.

There's only one bowling alley in San Francisco and its located at the Presidio. It's not accessible for kids who live in this area. He hopes that everybody will reconsider and work with Mills to get this project done.

Mary Jo Ellen indicated that the idea of a recreational facility on the waterfront is excellent. Unfortunately, at the first meeting she attended a year ago, Mills presented a small part of recreation and a large part of office/retail space. When she originally heard about the project, she thought it would be like the Chelsea Pier concept where there were 30 acres of recreational space and 22 different sporting activities and only three retail shops. Looking at Mills plan, there are 27 retail shops and a large amount of office space. The idea of a development project is great and getting people jobs are great but the recreational component should serve the citizens of San Francisco and the residents of the area. Recreation does much more than office space and retail

Brad Willmore, former developer and resident of the neighborhood, indicated that one of the things that shocked him about this process is the continual extension granted to the Mills project. This is a project that was unsupported by the community from the start. It was not supported by the Northeast Waterfront Advisory nor was it supported by this Commission's predecessors who voted for a project that was 95% recreation. It wasn't supported by the neighborhood and it was not supported by the City as a whole. He wondered why the Port continually grant them extension. There has never been any significant changes to bring more recreation on this project. The piers and the waterfront are rare and unique in all the world. It should not be wasted on common usage. There are office buildings and towers at South of Market. Shopping malls can be built close to Nordstrom. There are many places to built it but not in a rare and unique and precious place as the waterfront. We shouldn't be pimping out these piers to the closest mall developer in order to make a quick buck. He emphasized that the Commission should not approve the project and not extend the ERN. Staff needs to go back to the beginning and find a developer and a project that can produce more recreation for the neighborhood and the City. It could be done because Chelsea Piers said it could be done. We should endeavor to find a project that is supportive of the City, the neighborhood and the history in San Francisco.

Rod Henmi, Michael Willis Architects, showed the Commission a few of the renderings to give a visual sense of the project concept. One drawing showed the view of the northeast wharf plaza, from the south, looking at the new YMCA which is a 110,000 s.f. signature facility. It shows the pool and the plaza opens up an incredible view corridor into the bay that does not exist now because of the 1965 Pier 27. The Port Design Review Board reviewed various possibilities including a necking down which Pier 27 does. The space now opens to the bay. It gives an entirely new vista to the situation and provide the very important recreation space to the bay. The second rendering is of the sports valley space, which is between Pier 29 and the new YMCA. This space offers all kinds of recreational opportunities, including turf areas, basketball courts, etc. and an unparalleled opportunity for recreation while providing a view of the bay at the same time. YMCA can be seen on the right with its large openings that connect to that space. The third drawing is a view back towards Telegraph Hill of the sports valley. The nature of this recreational space can be seen.

It's a very important large area that will be dynamic and contains very many opportunities for public recreation. This is not something that people will have to pay for. It's a free space, open to the public, in a sense a new public park facility. The last drawing is the passage through Pier 31, which suggests some of the walkways that occur through in order to access various areas. It starts to suggest very briefly and in a cursory manner the kind of quality and activity of this space. The Ferry Building is an incredibly rehabilitated historic building, holding offices with a series of restaurants and shopping opportunities. He believes that this new project will have a similar kind of quality, a gem on the waterfront that will restore two historic buildings, allow them to have a new life and at the same time provide major recreational opportunities to the entire City.

Bob Kastl indicated that five or six years ago, then Supervisor Newsom and Aaron Peskin, a member of the Telegraph Hill Neighborhood, were opposed to Malrite. Chelsea Piers was opposed also. He recommended more than a 60-day extension for this project. Chelsea Piers could do the job well. It's unnecessary to do it at Piers 27-31. Any area between Third Street and the waterfront, south of Pier 50 would be an ideal location for this project. Supervisor Maxwell will be in favor of such a project. All it needs is cleaning up of Hunter's Point by the U.S. Navy. There's plenty of land out there. This area is unique and should be kept as is. He also brought up the problem of skateboarders on the waterfront.

Alan Habegger, representing thousands of bay area residents who take part in recreational ice skating, figure skating, speed skating and hockey, indicated that they were excited when Chelsea Piers proposed putting ice rinks on the pier. There's not enough opportunities or enough places to skate. Currently, there's only one rink in San Francisco. If possible, he would like that type of recreation included in the pier project. There's a rink in Oakland and there's 65 different teams and thousands of players. Mills could consider adding an ice rink for this project. He presented a letter from the U.S. Figure Skating Association to the Commission and asked the Commission to consideration their suggestion.

Gerry Crowley, immediate past president of Telegraph Hill Dwellers & co-founder of the Neighborhood Network, indicated that THD was 50 years old last month. What started as a small group of 30 people now exceeds 800. For 50 years, they served as watchdogs of the waterfront and they have the archives to substantiate it. They were instrumental in reducing the size of the Golden Gateway Perini project back in the 60's. They have now joined forces with those residents to fight the loss of recreation due to a proposed 8-story condominium project at 8 Washington Street. They defeated the Cleveland based Malrite project at Pier 45, a schlock amusement area. They were instrumental in the tearing down of the Embarcadero Freeway. She asked the Port for a respect of the history and the future of the waterfront. They expect the Commission to demand the same from the Mills Corporation in their continuing negotiations and that they adhere to the original provisions of the RFP.

John Spratley, Mills Project Manager, respects everyone's opinion. His first instinct was to rebut piece by piece, point by point but opted not to do so. He pointed two key

points. First, this project is indeed about affordable recreation. There' indeed a lot of recreation on this project that's affordable right now; more than 10 acres. The amount of recreation on this project both indoors and out has actually increased as a result of the State Lands' decision. There were some legal restrictions about the amount of indoor recreation that they can put in the project. They have been successful in getting a bowling alley back into the center which adds 25,000 s.f. and they are also working to get an additional 11,000 s.f. into the project. They want recreation for the project as much as everybody else does. Secondly, comments were made repeatedly that Mills was probably the incorrect entity to do this project. He encouraged everyone to look at Mills website but that's one third of the picture. If you want to get a feel of the entire project, one has to go to the YMCA's and America True's website. If you look at the three companies combined, one will find a team very capable of providing the affordable recreation on the waterfront and very dedicated to doing it. He recommended the Commission to follow the recommendation of Port staff and extend to June 8th.

Mary Lipian urged the Commission to adopt Alec Bash's suggestion that the Commission repeat the condition attached to the original ERN. It is not a new requirement but it will reinforce and remind Mills that they need to reduce retail, office and restaurant spaces and increase indoor recreation.

Derf Butler indicated that the community he resides in is very much interested in seeing this project built. Within the African American community (Western Addition, Bayview Hunters Point or the Ingleside district), they are excited about a project like this that will allow the kids from their community to come to the waterfront and experience a beautiful place and have affordable recreation. What moved him to speak at this point was the actual renderings that the architect showed to the Commission. If he had not seen the renderings and listened to most of the commentary, he would have a different prospective of what the project is. The drawings depicted a beautiful project and something that the developer, the Port, the City and the communities would be proud to be part of and participate in. He urged everyone in this room to have a little more open mind and take a look at the drawings as a start and continue to negotiate because this is something that this City definitely needs and something that low-income kids would love to come and experience.

Commissioner Bierman commented that the City needs this kind of a project, particularly for kids. She has grand kids and great grand kids who would love to come to the waterfront. The City needs more fun things for young people to do. It bodes well to produce fun things. With regards to the traffic problems that people spoke about, she reacted negatively because personally she has not experienced or seen any traffic problems when she comes to the waterfront. However, it should be looked at. She believes that the City will be served well with this project. She will vote for the extension of time but serious negotiation has to take place with Mills, and address the issues that the speakers brought up and come up with solutions because she does not think it will fly the other way. If it did and it got to the Board of Supervisors, it won't fly with the Board until the friction is resolved. Hopefully, in the intervening time, those problems can be resolved.

Commissioner Brandon commented that this project can be something that everyone can be proud of but it still has a way to go. She strongly encouraged Mills to work with the community groups and Port staff on the traffic and parking issues, the financial terms of the project and the recreation and retail issues. She strongly encouraged Mills to work very diligently before the June 8th meeting and hopefully start the process of this project, which will benefit all San Franciscans.

Commissioner Bierman asked if an ice rink was ever proposed for this project. If not, perhaps, in the intervening time, there be some discussions about it. The more we give to kids, the less sadness we're going to see in the young community. She encouraged everyone to work a little harder on this project.

Project Manager Lynda Swanson replied that Mills, in conversations, have been very open to the idea of seasonal ice-skating but nothing has been agreed to formally. They have informed Port staff that in their investigation of running an ice rink year round, it does not appear economically feasible. Secondly, the communication that they received from the State Lands Commission indicated that under the current description, they would not consider an ice skating rink to fall under the category of trust consistent activity. If Mills find a way to provide an ice skating rink in the project, it would have to come out of other aspects of the project in order to preserved the percentage that is trust consistent. Staff and Mills are willing to further investigate this issue.

Commissioner Bierman stated that she's not trying to steer up trouble. She's only thinking about the kids.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-32 was adopted.

8. NEW BUSINESS/PUBLIC COMMENT

9. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 7:25 p.m.

SAN FRANCISCO PORT COMMISSION

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AGENDA

DOCUMENTS DEPT.

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REGULAR MEETING
3:00 P.M., TUESDAY, APRIL 27, 2004
PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

1. ROLL CALL

04-22-04P01:45 RCVD

2. APPROVAL OF MINUTES - April 13, 2004 Meeting

3. EXECUTIVE

4. MARITIME

A. Request for approval of a five-year Management Agreement between the Port and Metropolitan Stevedore Company for management of the passenger cruise terminal at Pier 35. (Resolution No. 04-38)

5. ENGINEERING & MAINTENANCE

A. Request for authorization to advertise for competitive bids for Amador Street Improvements, Contract No. 2693. (Resolution No. 04-34)

B. Request for approval of contract modification to Contract No. 2690, "Pier 45 Shed C Development Phase I," for an amount not-to-exceed $30,000. (Resolution No. 04-35)

C. Request for adoption of the Port's proposed 2004 Self-Evaluation and Transition Plan. (Resolution No. 04-36)

6. ADMINISTRATIVE SERVICES

A. Request for approval of Harbor Code amendment to change the parking meter days of operation to Monday-Saturday in residential areas under the Port Commission jurisdiction. (Resolution No. 04-37)

7. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (4 cases):

- In re Pacific Gas and Electric Company, Debtor, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01-30923.

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.

- Approval of Consent Order in the matter of State of California Department of Toxic Substances Control, Port of San Francisco Respondent, Docket No. 2003-0108.

- Claim of Joyce A. Moyer, San Francisco Claim No. 04-00303, filed July 31, 2003. (Discussion and Action Item)

  Moyer Claim: Proposed settlement of government tort claim seeking damages for personal injuries allegedly sustained on the Embarcadero near Fisherman's Wharf, on May 27, 2003. Proposed settlement for $39,032 in exchange for claimant's full release and dismissal of all

claims. A copy of the proposed settlement agreement is available for inspection, by request to the Executive Secretary for the Port, pursuant to San Francisco Administrative Code Section 67.12(b)(3).

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 35
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Metropolitan Stevedore Company: Jim Callahan

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 35.

b. Property: Pier 43
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Franciscan Restaurant: Kevin Westlye

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 43.

c. Property: Pier 9
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Think Twice: John Whitney

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 9.

d. Property: Pier 92
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Specialty Crushing: Tom Chasm

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 92.

e. Property: Seawall Lot 349
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Sims Group USA: Jimmie Buckland

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at SWL 349.

f. Property: Seawall Lot 356
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Affordable Self Storage: Christo Kasaris

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at SWL 356.

g. Property: Pier 45, Shed A
Person Negotiating: Port: Ken Winters, Director of Real Estate
*USS Pampanito: Elizabeth Kibbe

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 45, Shed A.

h. Property: Pier 45
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Red & White Fleet: Tom Escher

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 45.

i. Property: Pier 33
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Seafood Suppliers: Bill Dawson

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 33.

j. Property: Pier 15
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Electric Transit Inc.: Stan Brady

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 15.

k. Property: Ferry Building
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Ferry Building Investors: Chris Meany

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at the Ferry Building.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

10. ADJOURNMENT

APRIL 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
April 13	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**
April 27	**3:00 p.m.**	**Port Commission**	**Port Commission Room @ Ferry Building**

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 1st Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

April 22, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Sue Bierman
Hon. Kimberly Brandon

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for approval of a five-year Management Agreement between the Port and Metropolitan Stevedore Company for management of the passenger cruise terminal at Pier 35.

DIRECTOR'S RECOMMENDATION: APPROVE A FIVE-YEAR TERMINAL MANAGEMENT AGREEMENT BETWEEN THE PORT AND METROPOLITAN STEVEDORE COMPANY FOR SAN FRANCISCO'S PASSENGER CRUISE OPERATIONS.

Background

Metropolitan Stevedore Company (Metro) is the current marine terminal operator at the Port's cruise terminal at Pier 35. They are currently operating under the holdover provisions of a five-year operating agreement that expired in December of 2003.

San Francisco's passenger cruise business has grown in the past two years, making 2004 the busiest cruise year ever at San Francisco. This increase in business has created operational challenges that now affect multiple berth locations within the Port's jurisdiction, as more cruise ships are calling San Francisco simultaneously than in the past.

Additionally, cruise industry trends indicate that there is even more growth potential in the cruise market in the near term for San Francisco, creating a need for the Port to establish a primary operating partner that is willing to assume responsibility for passenger safety, provide cost effective and reliable service to the cruise lines, and maintain professional standards throughout the critical transition period leading up to the opening of San Francisco's new passenger facility at Piers 30/32.

This proposed five-year agreement will bridge the Port's cruise operational and stevedoring needs from now until the completion of the James R. Herman International Cruise Terminal at Pier 30/32.

Port staff and Metro have negotiated a new management agreement that:

PORT OF SAN FRANCISCO
TEL 415 274 0400 TTY 415 274 0587 ADDRESS Pier 1
FAX 415 274 0528 WEB sfport.com San Francisco, CA 94111

- solidly defines best management practices and standards for operating Pier 35 for maritime use;
- addresses operational and marketing issues such as scheduling vessel calls, internal and external signage, and the need for more passenger amenities;
- distributes and shares maintenance responsibilities;
- ensures compliance with security requirements mandated by the Transportation Security Administration; and
- provides for promoting and marketing the terminal to the cruise industry and to the travel trade for secondary uses.
- Requires Metro to abide by and cooperate with Port in the implementation of the Environmental Policies and Programs established by Resolution No. 03-39, and any future recommendations of the Port's Cruise Terminal Environmental Advisory Committee adopted by the Port Commission.
- Incorporates newly adopted City requirements, including the Health Care Accountability Ordinance and the Green Building Ordinance.

Moreover, this new agreement sets up a method whereby the Port will receive additional revenues should San Francisco handle more than ninety cruise ship calls in any calendar year, and provides an incentive for Metro to seek other sources of income, such as concessions, and share them with the Port.

Passenger cruising has become a core component of the Port's maritime business portfolio, and negotiations to date have directly addressed the need for an agreement that would provide an alliance for building the cruise ship business in San Francisco. Port staff realizes that maintaining a partnership with our terminal operator is key to generating the level of service and professional standards necessary for San Francisco to compete with other ports and grow this business.

Proposed Management Agreement

1. Premises:
   Approximately 243,427 square feet, those portions of the passenger terminal and appurtenances thereto located at the premises commonly referred to as Pier 35. Office space previously leased under License Agreement #13062 will be added to the premises.

2. Term:
   This agreement shall run for five years from its commencement date, or until the first commercial passenger cruise operation is conducted by San Francisco Cruise Terminal, LLC (SFCT), its assigns or heirs, in accordance with SFCT's agreement with the Port for development of a mixed-use cruise terminal facility at Piers 30/32, whichever occurs first. The commencement date shall be May 1, 2004, or the first day of the calendar month immediately following the approval of this agreement by the San Francisco Port Commission.

3. Financial Terms:
   Metro shall pay to the Port –

   (a) a minimum operating fee of $12,500.00 per month;

(b) An Operating Bonus Payment for each large passenger cruise vessel call in excess of ninety passenger vessel calls during any calendar year. The Bonus Payments will be:

- $2,500 for any ship where less than fifty percent of all registered passengers neither begin nor end their voyage at San Francisco
- $4,000 for any ship where at least fifty percent of all registered passengers begin or end their voyage at San Francisco

(c) Minimum Operating Fee Adjustment - The minimum-operating fee stipulated is based on historic vessel calls and the resulting profitability for the prior five years. To this extent, if large cruise ship calls to Pier 35 should fall below 55 in any given calendar year; minimum operating fee will be adjusted down to $10,650.00 per month for such year.

(d) Metro will reimburse the Port for the actual cost of the services of uniformed San Francisco Police Department officer(s) patrolling within the cruise terminal as required by the appropriate U.S. Coast Guard approved Facility Security Plan. Metro will also reimburse the Port for the actual cost of services for one private security guard to be stationed at an ancillary parking lot, for the purposes of directing parking and monitoring the automobiles of employees, support staff, and designated guests affiliated with any vessel operation.

(e) A secondary Use Fee equal to fifty percent (50%) of the Management Contractor's net operating profit attributable to its allowing any Secondary Uses of the facilities. "Secondary Uses" means those uses other than for commercial passenger cruise calls including, without limitation, the following:

- Advertising, promotions fees, royalty payments
- Commercial parking operations
- Concessions, vending machines, other passenger amenities
- Sub-tenancies
- Trade shows, exhibitions, other special events

4. Maintenance. During the term of the Management Agreement, Metro is responsible to keep the Facility in a neat, clean, safe and orderly condition, excepting structural elements, painting, and dredging.

5. Additional Services. Metro shall maintain sufficient personnel, equipment, and contracted services in order to provide a level of customer service equal to or exceeding other West Coast passenger cruise terminals, and shall specifically undertake full responsibility for the following items:

- Providing pier janitorial services in advance, during, and after any ship operation
- Supplying sufficient security guard manpower for compliance with the appropriate Facility Security Plan (FSP) required by the Marine Transportation Security Act of 2002 (MTSA) guidelines, including any amendments or changes to the FSP during the term of this agreement
- On days when it is deemed necessary to handle commercial passenger cruise ships at locations other than Pier 35 and throughout the term of this agreement, Metro, the Port and the vessel owner or its agent will meet and agree upon the optimal amount of equipment,

fixtures, and amenities required for properly servicing the vessel operation. Metro will arrange and pay for the installation of these amenities. The Port will reimburse the Metro for the costs of the following items:

- Shelter: Luggage laydown; passenger holding/reception areas, guest/travel agent holding areas; arrival and waiting areas; ticketing/check-in-in areas
- Fencing around the perimeter/apron/pier
- Lighting: external security and emergency lighting, as required by the Facility Security Plan
- Fixtures/Amenities: Pier fendering; stringer/apron; restrooms; pay phones
- Signage: Promotional signage
- The proposed Management Agreement provides that the Port will reimburse Metro for the above-referenced amenities in the form of a credit against the next succeeding Use Fee payment due after Metro's submittal of paid invoices.

6. Termination Right
   Either party may terminate the Management Agreement with 180 days prior written notice without penalty, if the Port's primary site of cruise ships operations is moved from the Facility to another site.

Port staff believes that this proposed terminal operating agreement provides the Port a financial and operational basis for which to manage the current explosive growth in our cruise market until such time that the terminal is constructed., and recommends approval of the management agreement with Metropolitan Stevedore Company for Pier 35.

Prepared by: G. L. Roybal, Maritime Marketing Mgr., for
Peter A. Dailey, Maritime Director

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-38

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, Under Charter Section B3.581(g), leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, The Port holds in trust and subject to its lawful disposition certain maritime facilities located at the Passenger Terminal at Pier 35 situated in the City and County of San Francisco; and

WHEREAS, The Port holds in trust and subject to its lawful disposition certain other maritime facilities located within its jurisdiction that provide the requisite features necessary for conducting passenger cruise operations and that may be used on an ad-hoc basis; and

WHEREAS, The Port desires to improve the efficiency and operations of such facilities and induce increased passenger business through the marine terminal facility located at Pier 35; and

WHEREAS, Port staff believes that continuity of terminal services gains greater operating efficiencies and provides better service to the cruise lines and guests; and

WHEREAS, The Port desires to assign to Metropolitan Stevedore Company the responsibility of managing and providing passenger terminal operating services for the maritime facilities located at Pier 35 and at other appropriate locations as required; and

WHEREAS, The Port desires to contract with Metropolitan Stevedore Company to serve as the terminal operator and manager of such facilities, and Metropolitan Stevedore Company desires to contract with the Port to perform such services; now therefore, be it

RESOLVED, That the San Francisco Port Commission hereby approves a Management Agreement on the terms and conditions described in the Memorandum for Agenda Item 4A for the April 27, 2004 Port Commission meeting and hereby authorizes the Executive Director of the Port to execute the same on behalf of the Port in such final form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 27, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Advertise for Competitive Bids for Amador Street Improvements, Contract No. 2693

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ADVERTISE FOR COMPETITIVE BIDS FOR CONSTRUCTION OF A PAVED, TEMPORARY ACCESS ROAD TO CONNECT AMADOR STREET TO PIERS 94-96.

INTRODUCTION

Port staff requests that the Commission authorize the advertisement for competitive bids from contractors to construct a paved, temporary access road that connects Amador Street on Piers 90-92 with Piers 94-96 as programmed in the 2003-2004 Capital Plan.

BACKGROUND

Amador Street is a Port street that runs west-east along Piers 90-92 and currently dead-ends at Pier 92. The street is utilized primarily by the Port's industrial tenants to access Cargo Way and Third Street. The Port's industrial tenants' operations consist mostly of handling or processing construction-related industrial materials (e.g., concrete, concrete reclamation, aggregate, sand, etc.) that require operation of equipment and trucks on unpaved roadways between and through the current Amador Street terminus and Piers 94-96 and the Pier 90–94 Backlands area (Backlands). This region is part of an area referred to as the "Backlands," located between Piers 90-94. Most of the Backlands area is unpaved and is prone to cause dust when tenant vehicles travel through the area.

Each Port tenant operating a construction material related operation in the area is required to implement and comply with dust mitigation measures identified in the Southern Waterfront Supplemental Environmental Impact Report (SEIR, 2001). Port staff conducted field inspections in early 2003 to confirm that tenants were complying with these mitigation measures, to evaluate the effectiveness of these mitigation measures in controlling dust, and to recommend potential corrective actions to improve the control measures. One mitigation measure to control dust calls

This Print Covers Calendar Item No. **5A**

for spraying of water on internal roadways and unpaved construction areas. Port staff observed that significant additional benefits would result from the paving of existing unpaved roadways, reducing the potential for further dispersion of dust into the air from truck tires.

Construction of the roadway will also provide additional benefit of a direct connection between the Port's Pier 90 –92 area, which is the location of one existing and two additional future concrete batch plants, with the Piers 94 –96 area, which is the location of the aggregate material supplier for each of the concrete batch plants. The Amador Street connection will eliminate some industrial traffic from Cargo Way and will reduce current round trips between the facilities from 2.7 miles to less than a half a mile.

BASIS OF DESIGN

Collaborating with the Department of Public Works, the Port has developed a design that connects Amador Street with Pier 94-96. The design provides an engineered, paved surface that is wide and strong enough to handle industrial two-way traffic, and can be constructed under a modest budget. Although interim in nature, the access road has been designed to be consistent with current and near-term Port planning and leasing efforts, as well as conceptual long-term development plans for the Backlands area. Though the paved areas will only be wide enough to safely accommodate trucks in the area, the alignment design is wide enough to allow future construction of a complete roadway designed to City standards. The width of a future complete roadway was also taken into consideration to develop current tenant leases in the area. The design, however, does not represent a complete and permanent roadway due the significant financial cost associated with undertaking such an effort. Construction of the temporary access road will achieve the following benefits:

- Immediate benefits to the community from reduced dust and vehicle emissions and traffic congestion;
- Immediate benefits to Port tenants from a direct travel connection between the Piers 90-92 to 94-96; and
- A near-term solution that can be implemented now without impacting further planning of the Backlands area.

SCOPE OF WORK

The proposed work entails clearing and grubbing the area, and laying an aggregate base and an asphalt concrete wearing surface. The length of the connecting access road is approximately 1,900 feet long by 40 feet wide. An approximate 480-foot side access road, off the main connecting access road, may be constructed depending on the bids relative to the engineer's estimate and available funds.

Port staff seeks authorization from the Commission to advertise for competitive bids for this construction project. The engineer's estimate for the proposed work is $410,000. The project cost will be funded from Port capital funds for fiscal year 2003-2004.

Prepared by: Kathy Nakazawa, Project Manager, for
Ed Byrne, Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-34

WHEREAS, the Port's industrial tenants at Piers 90-92 and 94-96 are involved primarily in the handling or processing construction-related industrial materials (e.g., concrete, concrete reclamation, aggregate, sand, etc.); and

WHEREAS, due to such operations, each Port tenant is required to implement and comply with dust mitigation measures identified in the Southern Waterfront Supplemental Environmental Impact Report (SEIR, 2001); and

WHEREAS, the Port staff conducted field inspections in early 2003 to confirm that tenants were complying with these mitigation measures, and observed that significant additional benefits would result from the paving of existing unpaved roadways; and

WHEREAS, the Port's tenant trucks must travel between facilities located along Amador Street along Cargo Way between Third Street and Jennings Street, to facilities located on Piers 94-96 before trucks can be loaded or unloaded, resulting in traffic that could be eliminated from Cargo Way; and

WHEREAS, Construction of a temporary access road will result in immediate benefits to the community from reduced dust and vehicle emissions and traffic congestion, and immediate benefits to Port tenants from a direct travel connection between Piers 90-92 to 94-96, and can be implemented now without impacting further planning of the Backlands area; and

WHEREAS, Port staff has completed the design drawings and specifications for construction of the temporary access road; and

WHEREAS, the estimated cost of the work is $410,000, which will be funded with Port capital monies; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for competitive bids for construction of a paved, temporary access road to connect Amador Street to Piers 94-96.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 27, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

April 21, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F Wong
Executive Director

SUBJECT: Modification to Contract No. 2690, "Pier 45 Shed C Development Phase I," for an Amount Not-to-exceed $30,000.

DIRECTOR'S RECOMMENDATION: AUTHORIZE PORT STAFF TO EXECUTE A MODIFICATION TO CONTRACT No. 2690, "PIER 45 SHED C DEVELOPMENT PHASE I," FOR AN AMOUNT NOT- TO- EXCEED $30,000.

Project Summary:
On January 13, 2004, the San Francisco Port Commission authorized award of Contract No. 2690, "Pier 45 Shed C Development Phase I," to the lowest responsive responsible bidder, Pioneer Contractors, Inc. for a total contract amount of $1,146,695, inclusive of a 10% contingency. The scope of this project includes replacement of the roof, installation of a fire alarm system, and installation of a video surveillance system. The Port issued a Notice to Proceed to Pioneer Contractors, Inc. on January 30, 2004. The work is currently underway and expected to be completed by May 17, 2004.

Contract Modification:
Port staff is seeking authorization to execute a contract modification to include additional work into the existing construction contract with Pioneer Contractors, Inc. for a cost not to exceed $30,000. The scope of this contract modification is to make additional unforeseen roof repairs beyond what has been initially anticipated. These repairs are required to complete roof replacement work under this project, and to comply with the requirements of the California Technology Trade and Commerce Agency, which has funded this project. This contract modification will accomplish these objectives through the following:

1. Replacement of 8000 sq. ft. of roof deck damaged by dry rot.
2. Replacement of all the wood crickets, which are severely damaged by dry rot
3. Replacement of 110 broken clearstory windows

This Print Covers Calendar Item No. **5B**

The proposed modification will result in a contract price in the not-to-exceed sum of $1,176,695, as follows:

Contract award (including 10% contingency):	$1,146,695
This contract modification:	30,000
Total contract amount:	$1,176,695

This modification will add approximately 3% to the existing contract award. HRC staff has reviewed and approved this proposed contract modification with Pioneer Contractors, Inc.

The work under the contract modification will be funded as follows:

Funding Source	**Amount**
California Technology Trade and Commerce Agency Grant	$ 25,780
Port Capital Funds.	$ 4,220
Total	$30,000

Summary:
Port staff seeks Commission approval to execute a modification to Contract No. 2690, "Pier 45 Shed C Development Phase I" for an amount not-to-exceed $30,000 to complete this necessary additional work .

Prepared by: Mojgan Yousefkhan
Project Manager
For: Ed Byrne
Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-35

WHEREAS, the Port Commission, at its meeting on August 27, 2002, authorized the advertisement of the construction contract for the Pier 45 Shed C Development project; and

WHEREAS, Port staff received eight bids on December 18, 2003; and

WHEREAS, the Port Engineering staff and the Human Rights Commission staff reviewed the bids and determined that Pioneer Contractors, Inc. was the lowest responsive, responsible bidder for the contract; and

WHEREAS, the San Francisco Port Commission, at its meeting on January 13, 2004, authorized staff to award construction Contract No. 2690, Pier 45 Shed C Development Phase I, to Pioneer Contractors, Inc. for the amount of $1,042,450.00, plus a 10% contingency, for a total contract amount of $1,146,695.00; and

WHEREAS, as currently scheduled, Pioneer Contractors, Inc. will substantially complete the work under the existing contract by May 17, 2004; and

WHEREAS, a contract modification is necessary to include additional work on this project, including replacement of all dry rotted roof deck, the wood crickets, and replacement of broken clearstory windows; and

WHEREAS, this contract modification is required to complete the roof replacement work under this project, and to comply with the requirements of the California Technology Trade and Commerce Agency, which has provided funding for this project; and

WHEREAS, Port staff has negotiated with Pioneer Contractors, Inc. to perform the additional work for not-to exceed sum of $30,000 in addition to the existing contract contingency of $104, 245; therefore be it

RESOLVED, that the San Francisco Port Commission authorizes staff to execute a contract modification to the existing Contract No. 2690, "Pier 45 Shed C Development Phase I" with Pioneer Contractors, Inc. for an additional amount not to exceed $30,000, resulting in a modified contract price not-to-exceed $1,176,695; and be it further

RESOLVED, that the San Francisco Port Commission authorizes the Executive Director to accept the work upon completion.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 27, 2004.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

April 22, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution to approve and adopt the Port of San Francisco's 2004 ADA Self Evaluation and Transition Plan dated April 27, 2004.

DIRECTOR'S RECOMMENDATION: Approval of Resolution directing the Executive Director and Port staff to implement the 2004 Port of San Francisco's ADA Self Evaluation and Transition Plan subject to the standard procedures for environmental review, budgeting, contracting, permitting, and consistent with the applicable historic preservation standards.

INTRODUCTION. As reported to the Port Commission on March 23, 2004, Port Staff has completed a reassessment of its Americans with Disabilities Act (ADA) Title II Self-Evaluation and has developed a proposal for the 2004 ADA Transition Plan ("Transition Plan"). The Transition Plan replaces the Port ADA transition plan developed in mid-1992, and subsequently revised in 1997 and in 2000-2001.

The purpose of this reassessment is to update the Port's ADA Title II compliance measures for program accessibility and where required, remove architect barriers that may impede access by people with disabilities.

THE ADA. The ADA is a series of federal regulations that provide civil rights protections more than 54 million Americans who have one or more disabilities. The State of California has a similar set of civil rights statutes commonly called the Unruh Act.

There are several sections (Titles) that make up the ADA. The key ones are:

> **Title I Employment**. The Port complies with this title through the policies and procedures administered by the Port's Human Resources Department. This title covers all businesses with more than 15 employees and all Title II entities.

This Print Covers Calendar Item No. 5C

PORT OF SAN FRANCISCO
TEL 415 274 0400 TTY 415 274 0587 ADDRESS Pier 1

Title II State and Local Government. This title provides for program access by state and local governmental entities. The Port and the City and County of San Francisco are Title II entities.

Title III Public Accommodations. This title provides for accessibility to the goods, services, accommodations, privileges and advantages to 12 categories of commercial businesses and other entities that affect interstate commerce.

TITLE II REQUIREMENTS

Where related to individuals or groups of individuals with disabilities, Title II requires the Port to:

- **Conduct a self-evaluation of the quality of accessibility of its program's services and activities.**

  (The Port has conducted this in the past and this presentation addresses current measures).
- **Designate a responsible person to manage its ADA compliance program and adopt a grievance procedure.**

  (Since 1992, the Port has had different designated individuals in this role and John Paul Scott services in this capacity now. The Port follows the City and County of San Francisco's complaint procedure).
- **Embrace a general prohibition of discrimination.**

  (The Port has this policy embedded in its procedures, hiring practices and implements this policy in many different methods that are being addressed in the Plan).
- **Maintain accessible features in good working order.**

  (The Port does strive to maintain these features, and when such features are no in good working order, the item is put on planned maintenance or barrier removal project list).
- **Prohibit employment discrimination.**

  (The Port' policies and practices for this are administered by the Port's Human Resources Department).
- **Provide program accessibility to services, programs and activities, and this may include removal of architectural or communication barriers.**

  (The Port strives to achieve this. The effort for removing architectural or communication barriers is addressed in the Plan and this effort is addressed in this presentation).
- **Ensure that new construction and alteration is accessible.**

  (The Port and other City and County of San Francisco agencies strive to achieve this and the ADA Coordinator and the Building Inspections Department provide peer review on this effort).
- **Provide communication access.**

  (The Port strives to comply with these requirements and part of this effort is addressed in the Plan, including a project to develop an accessible web site).
- **Institute a compliant procedure.**

(Although the Port has been practicing a complaint procedure, it was not completely documented or implemented, and this project addresses this issue).

TITLE II PROGRAM ACCESS. "Program access" or "program accessibility" is mandated for Title II public entities. Thus, the Port, as a Title II public entity, is responsible to ensure "program access." Such "program access" includes the Port's programs, services and activities. Examples include, the accessibility of the Port's Commission's public hearing and this hearing room are part of the Ports Program Access obligation. Providing building and temporary event permits, open space, transportation facilities, access to the bay, advisory committee participation, the Pier 1 exhibition area and conference rooms are some of the many examples of these programs services and activities.

In the process of providing accessible services, programs and activities, the Port must:

1. Explain its provisions of program accessibility to the public;
2. Make necessary modifications policies and procedures;
3. Make necessary modification to the actual programs, services and activities; and if necessary
4. Remove architectural barriers that may exist in the place we provide these services, programs or activities, or find some other way to make that activity accessible

EFFECTIVE COMMUNICATION. Title II's second key element is the Port's obligation to ensure communications with applicants, participants, and members of the public with disabilities are as effective as communications with others to provide effective communication. Where necessary, the Port shall provide auxiliary aids and services to ensure effective communication.

For example, for this hearing today, information was included in this meeting's notice about the accessibility of this location and room, and how to obtain accessible documents or assistance in effective communication during this hearing. Further, the lobby and elevator signage, directional and talking signs, toilet room signs and future directory signage provided this information. Effective communication may take the form of providing Braille Documents, large print documents, documents in electronic format, assistive listening systems, sign language interpretation or CART – Communication Access Real Time or Real-Time Captioning.

PUBLIC RIGHTS-OF-WAY. The third key element in the Port's accessibility obligations under Title II is to ensure accessibility of the public rights-of-way. The Port strives to do this in partnership with several City and County of San Francisco agencies, like MUNI, Department of Public Works and the Redevelopment. Accessibility provisions include curb ramps at street crossings, detectable warnings at hazardous vehicular areas, accessible transportation corridors, accessible street parking and access to transportation hubs.

THE REASSESSMENT PROJECT. The Port has conducted a reassessment of its ADA compliance programs for the following reasons:

1. The Port has conducted a substantial amount of improvement to the places where it provides services programs and activities. Since 1992, the majority of the Port's

public right-of-way has been replaced or is in the process of being rebuilt. The Port needs to refocus on where its compliance measures are not complete and where it requires another level of quality assurance.

2. The Port is more knowledgeable and informed about its obligations under the ADA.
3. In times of challenging budget constraints and limited staff resources, the Port must refine the management strategy of its compliance measures.
4. In an environment of change, whether that includes changes in regulations, staffing or management, the Port's program access strategy must be flexible enough to respond to that change.
5. Minimum level of compliance is no longer acceptable when balanced to the Port's overall accomplishments.

Therefore, the Port's staff embarked on 6-month project to conduct a reassessment and develop the 2004 ADA Self Evaluation and Transition Plan. The process included the following steps:

1. Review past ADA self evaluation, program access and transition plan activities.
2. Review the Port's ADA program access and transition plan accomplishments to date.
3. Conduct a new ADA self-evaluation of the delivery and location of its programs, services and activities.
4. Conduct a new survey on the Port's physical infrastructure and facilities.
5. Provide an opportunity to interested persons, including individuals with disabilities or organizations representing individuals with disabilities, to participate in the self-evaluation process by submitting comments.
6. Create a process for Port staff input and review.
7. And where necessary develop a new ADA transition plan for removing architectural, administrative or procedural barriers to access.

The result of this process is the development of the proposed 2004 Port of San Francisco's ADA Self-Evaluation and Transition Plan, which consists of two parts:

Part 1 "Principal and Objectives". This part is an adjunct to the Port's current and continuing policies to comply with Act for state and local governmental entities. The principals and objectives are to be adopted and performed by multiple departments and divisions within the Port administrative structure.

Part 2 "Project List". This part is the specific project list of locations and kinds of architectural barriers. Where another agency may be responsible for the item, it is identified. Recommendations are made on priority, progress or resolution of that item.

At the recommendation of the Disability Access Committee (DAC), the Transition Plan incorporates pro-active measures to go beyond minimum compliance with the Act. It encourages the Port to anticipate change in state and federal regulations. In addition, the plan encourages the Port to become a mentor to Port tenants on their obligations to comply with Title III of the ADA and California Building Code. The plan contains specific recommendation for development of informational tools, seminars and assistance to be provided to tenants. When necessary, the

Transition Plan provides the Port with appropriate procedures to address accessibility complaints and grievances that may be directed at it or at Port tenants.

The Transition Plan corrects shortcomings in the previous plans. The previous transition plans were narrowly focused. The proposed Transition Plan addresses the broad spectrum of all the Port's facilities, open space and recreational areas and the public right-of-way obligations within the Port's jurisdiction.

This Plan addresses another unique aspect of the Port – the Port as landlord of Title III Public Accommodations. The last revision of the Port's self evaluation and transition plan erroneously blended the Port's Title II program access responsibilities with Title III public accommodation obligations. The Transition Plan correctly partitions the Port's responsibilities between Title II and Title III.

Please note, as a policy decision, this Transition Plan proposes that the Port' Real Estate, Engineering and Maintenance Departments proactively work with the facility's tenants to remove Title III architectural barriers so that these facilities are readily accessible to and usable by persons with disabilities.

THE TRANSITION PLAN'S STRATEGY. The 2004 ADA Transition Plan is a based on a strategy that is manageable, realistic and dynamic:

- It permits Port staff to choose the most appropriate vehicle for implementing the work, whether planned capital project, maintenance, an alteration, and a memorandum of understanding with another agency, a tenant lease or a development agreement.
- It requires a reassessment of priorities each year at the same time the Port develops the next year's capital project proposals.
- It proposes a timetable that is reasonably manageable by Port staff, and the resources available to it.
- And through education and mentoring, it to embed the process of accessibility into the normal course of the Port's daily business. The Transition Plan is not contingent on one individual's energy or knowledge.

There are several other key reasons developing a strategy that creates a dynamic plan, including,

1. The Transition Plan can easily accommodate items which fall out of maintenance through wear and tear, aging or circumstance;
2. The Transition Plan can accommodate some expected changes being proposed by the Mayor's Office on Disability and the Public Works Departments related to detectable warnings at curb ramps and audible pedestrian signals;
3. The Transition Plan can accommodate proposed changes by the in USA Access Board and the Department of Justice to revise the ADA 's accessibility guidelines. Here, the Transition Plan seeks to incorporate these changes into the Port's design standards, where they have little or no change cost of the work, so that any potential for future barriers can be mitigated now.

MARCH 23, 2004 STAFF REPORT. Our Staff Report from the March 23, 2004 explains the following in detail:

- The self evaluation process,
- The Disability Access Committee involvement,
- The process to review the development of the self evaluation and plan with Port staff and directors, and
- Peer review by the Mayor's Office on Disability including individuals appointed to the Mayor's Disability Committee.

In addition, the March 23, 2004 Staff Report summarized some of the ADA Transition Plan accomplishments to date.

COSTS AND CAPITAL PROJECTS. The Port has several ongoing capital projects for removal of barriers. These projects fund the DAC and Self-Evaluation process, and provide capital dollars for actual construction projects that benefit accessibility.

The 2003-2004 Capital Projects directed towards accessibility construction projects are:

CPO 680 ADA Transition Plan	$383,452
CPO 724 Sidewalks	$ 50,000
CPO 613 Handicapped Accessibility	$ 20,955
Total	$454,407

In addition, $100,510.00 has been allocated to specific ADA projects in the 2004-2005 Capital Plan. The actual projects may be re-prioritized, based on their contributions to the value and safety for people with disabilities.

Per cost estimates prepared for the Port by Parsons Brinckerhoff, we estimate the remaining cost of the plan to be approximately $1,758,232.

Conventional Architectural Barrier Removals	$460,405
Deferred Maintenance which causes Architectural Barriers (Cargo Way, Jefferson Street, Pier 7 deck)	$795,327
Public Right-Of-Way Curb Ramps and Tactile Detectable Warnings (MOU Responsibility to Be Determined; Not including audible tactile signals at pedestrian cross walks having controls)	$502,500

The economy of the cost projection for convention barrier removal projects can be greatly improved through leveraging work through:

1. Port Maintenance Department where Port construction labor is not capitalized;
2. Coupled with planned maintenance improvements;
3. Assignment to other agencies and their ADA transition plans as determined through existing memorandums of understanding; or
4. Through tenant construction activity where their work generates Path of Travel improvements to the facility's entrance, toilet rooms drinking fountains and telephones.

An additional scope of barrier removals is occurring through proposed or actual development or capital authorization projects. If these projects do not go forward the cost of these would be transferred back into the transition plan. These are:

Tulare Park	$ 248,508
Pier 50 Boat Ramp	$ 433,151
Pier 35 Elevator	$ 143,000
Agriculture Building	$ 180,122
Subtotal	$1,004,781

Other projects where there is direct benefit to the public right-of-way accessibility that is borne by the developer are:

MUNI Illinois Street facility,
South Beach Harbor SF Redevelopment Agency improvements
Mission Bay Development
MUNI Third Street Rail Project
Condominium Tower and Propose Pier 30-32 Cruise Terminal
Piers ½, 3 and 5
Proposed Broadway Hotel
Piers 27-28
Pier 35 TSA Security Grant Project

DETAILS OF THE 2004 ADA SELF EVALUATION AND TRANSITION PLAN. Details on the Transition Plan are available for review from the Port's ADA Coordinator John Paul Scott (415-274-0571 – TTY 415-274-0587) johnpscott@sfport.com and located on the Port's Intranet Engineering Division site. The approved plan will be placed on the Port's internet site www.sfport.com, and made available for viewing and in alternate formats at the Port's Pier 1 reception desk

RECOMMENDATION. Approve the attached Resolution directing the Executive Director and Port staff to implement the 2004 Port of San Francisco's ADA Self Evaluation and Transition Plan subject to subject to the standard procedures for environmental review, budgeting, contracting, permitting, and consistent with the applicable historic preservation standards.

Prepared By
John Paul Scott
ADA Coordinator and Architect

For
Ed Byrne
Acting Chief Engineer Harbor Engineer.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-36

WHEREAS, Section 3.581 of the Charter of the City and County of San Francisco empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, Title II of the Americans with Disabilities Act ("Act" or the "ADA") requires a public entity to conduct a self-evaluation of its current such services, policies, and practices, and the effects thereof, that do not or may not meet the requirements of the Act and, to the extent modifications of any such services, policies, and practices is required, the public entity shall proceed to make the necessary modifications; and

WHEREAS, The Port of San Francisco (the "Port") is a public entity as defined by the Act; and

WHEREAS, Pursuant to the Act, the public entity shall operate each service, program, or activity so that when viewed in its entirety it is readily accessible to or usable by individuals with disabilities; and

WHEREAS, Pursuant to the Act, the Port may comply with the requirements of this section through such means as redesign of equipment, reassignment of services to accessible buildings, assignment of aides to beneficiaries, home visits, delivery of services at alternate accessible sites, alteration of existing facilities and construction of new facilities, use of accessible rolling stock or other conveyances, or any other methods that result in making its services, programs, or activities readily accessible to and usable by individuals with disabilities; and

WHEREAS, Pursuant to the Act, the Port is not required to make structural changes in existing facilities where other methods are effective in achieving compliance with the Act; and

WHEREAS, In choosing among available methods for meeting the requirements of the Act, the Port shall give priority to those methods that offer services, programs, and activities to qualified individuals with disabilities in the most integrated setting appropriate; and

WHEREAS, In the event that structural changes to facilities will be undertaken to achieve program accessibility, the Port shall draft a transition plan setting forth the steps necessary to complete such changes; and

WHEREAS, Previously, the Port conducted its first ADA self-evaluations and transition plan in mid-1992, the first revision dated January 8, 1997, the second revision dated November 19, 1997, the third revision in 2000 - 2001, and now Port has elected to conduct a reassessment of its self-evaluation process and transition plan; and

WHEREAS, This process produced the proposed Port of San Francisco 2004 ADA Self Evaluation and Transition Plan, (the "2004 ADA Self Evaluation and Transition Plan"); and

WHEREAS, Pursuant to the Act, the Port has provided an opportunity to interested persons, including individuals with disabilities or organizations representing individuals with disabilities, to participate in the development of the transition plan by submitting comments; and

WHEREAS, Pursuant to the Act, in making alterations to existing buildings or performing new construction, and as part of the effort to remove architectural barriers, the work shall meet the accessibility requirements of the Act and therefore shall be designed and constructed in such manner that the facility or part of the facility is readily accessible to and usable by individuals with disabilities; and

WHEREAS, Pursuant to the Act, the obligations to provide program accessibility and to remove architectural barriers is an ongoing process, and the Port shall re-assess the priorities and funding for transition plan projects on an annual basis, as required, to complete the 2004 ADA Transition Plan projects in a timely manner; now therefore be it

RESOLVED, The Port Commission approves the 2004 ADA Self Evaluation and process and adopts the 2004 ADA Transition Plan dated April 27, 2004, which replaces and supercedes the previous self-evaluations and transition plan documents, as revised; and, be it further

RESOLVED, The Port Commission directs the Director and Port staff to implement Part 1 of the 2004 ADA Transition Plan, "Principals and Objectives", and the projects listed in Part 2 Transition Plan, "Project List", subject to the applicable standard procedures for environmental review, budgeting, contracting, permitting, and consistent with the applicable historic preservation standards; and be it further

RESOLVED, That the Executive Director and Port staff may comply with this Resolution by undertaking measures as architectural barrier removal projects, planned maintenance projects, new construction or alteration projects, development agreements with private developers or Port tenants,

or through memorandum of understanding with other City and County of San Francisco agencies, with regards to those projects occurring within Port jurisdiction; and be it further

RESOLVED, A copy of the 2004 ADA Transition Plan, including copy in alternate formats, shall be made available for public inspection for a period of three years; and be it further

RESOLVED, The Port Commission reaffirms its policies to comply with and encourages its tenants and contractual partners to comply with the applicable provision of the Americans with Disabilities Act.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its Meeting of April 27, 2004.

_____
Secretary

MEMORANDUM

March 23, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Informational Briefing on the Port of San Francisco's Project to revisit its ADA Transition Plan.**

DIRECTOR'S RECOMMENDATION: No Action for Port Commission

INTRODUCTION As we reported to the Commission on September 9, 2003, Port Staff has now revisited its ADA compliance programs, including:

1. Reviewing past ADA Transition Plan activities
2. Reviewing the Port's accomplishments to date
3. Conducting a new ADA Title II Self Evaluation
4. And where necessary develop a new ADA title II Transition Plan for removing architectural, administrative or procedural barriers to access.

Core objectives for the ***process*** included:

1. Assess past accomplishments but start from scratch;
2. Creation of a public participation process that includes individuals with disabilities or organization representing individuals with disabilities;
3. Creating an external and internal Peer Review system to oversee the project's process, procedures, and product.

Core objectives for the ***plan*** are:

1. Being a comprehensive and dynamic document
2. Be revisited on a yearly basis to reassess priorities and funding requirements.
3. Address Best-Practices in accessibility rather than minimum compliance

4. Focus on Universal Design
5. Provide accessibility aware ness and design guidance for both Port Staff and Tenants.

On April 27, 2004, Port staff will be returning to the Port Commission to request the approval of a resolution adopting the 2004 Port ADA Transition Plan and directing staff to implement that plan in a timely manner. The accessibility advocacy consultant and public participant members are expected to be present to provide feedback to the Commission about the Port's process to develop this project.

SELF-EVALUATION AND TRANSITION PLAN. The project began in August of 2003. The Self-Evaluation of the Port's programs and transition plan activities was begun.

- The previous self-evaluations and transition plans were collected and analyzed.
- Interviews were conducted with various Port departments and key personnel to determine the current state of the Ports programs and their conditions or accessibility to make these programs accessible. The process was utilized to assess the level of knowledge and understanding that the department had about their ADA compliance activities. The process served to provide continuing education to the department and their personnel.
- All public areas of the Port were visited and surveyed for architectural barriers. Outreach was made to various city and County of San Francisco agencies that are conducting construction work on Port property, to verify their compliance and coordination measures.
- Responsibility, preliminary schedules for implementation and cost information was developed for most of the architectural barriers identified during the survey. Some of these barriers are the responsibility of MUNI, Public Works, Redevelopment Agency or Department of Traffic, etc. through Memos of Understanding created with the Port)

DISABILITY ACCESS COMMITTEE (DAC). The Port retained the accessibility advocacy firm of Magar & Milstein to assist in assembling a Disability Access Committee. Title II and state regulations require a public review process. The public review is to include individuals with disabilities including organizations that represent individuals with disabilities. The committee includes the following individuals and organizations:

- Michael Kwok, individual and member of the Mayor' disability Council
- Denise Senhaux, Individual, mayors Disability Council
- Todd Higgins, Deaf Counseling Advocacy & Referral Agency
- Ken Kresse, California Center for Law and the Deaf
- Alonzo Carmichael, Mental Health Association of San Francisco
- Max Lane and Herb Levine, Independent Living Resources Center of San Francisco
- Jay Herndon, The ARC Stan Francisco
- Elizabeth Wantuck, Laura Clark, Hearing Society of the Bay Area
- Scott Duncan, Rose Resnick Lighthouse of the Blind
- Jul Lynn Parsons, individual, Mayors Disability Council

Other individuals and tenants of the Port have participated in some of the public meetings.

COMMUNITY INPUT PROCESS. Four public meetings and two work sessions were held with the DAC, and several separate work sessions. Notices for the public meetings were sent out

through the Port's mass mailing list and several presentations were made to various Port advisory groups inviting their members to attend this process.

The dates of the public meetings were:

- October 22, 2003
- December 17, 2003
- January 20 2004
- February 24, 2004

The Self-Evaluation and the surveys of the Transition Plan were openly shared with the DAC and Port staff. The DAC and Magar & Milstein were instrumental in assisting in organizing the information into four basic categories, and providing input on the development or priorities and threshold issues. The DAC provided impassioned review and feedback that provided valuable impact on the overall process. The DAC's most important product is the document "Over-Arching Policies and Objectives for the Port's Transition Plan". This Transition Plan element is now titled "Polices and Objectives is essentially a code of conduct for the Port in integrating accessibility into its daily business activities, programs and products that it develops.

CAPITAL PROJECTS. The Port has several ongoing capital projects for removal of barriers. These projects fund the DAC and Self-Evaluation process, and provide capital dollars for actual construction projects that benefit accessibility. The Capital Projects directed towards accessibility projects are:

CPO 680 ADA Transition Plan	$383,452
CPO 724 Sidewalks	$ 50,000
CPO 613 Handicapped Accessibility	$ 20,955
Total	$454,407

In addition, $100,510.00 has been allocated to specific ADA projects in the 2004-2005 Capital Plan. The actual projects may be re-prioritized based upon the final approved transition plan.

ACOMMPLISHEMENTS: The Port has a strong list of accomplishments in improving the accessibility of its program activities, services, facilities and public rights-of-way. Many Port staff members and certainly the previous ADA Coordinator Kevin Jensen contributed greatly to this effort. Most dramatic were the opportunities created by the 1984 earthquake that permitted the opportunities for complete revitalization of the Ferry Building, Pier 1 and the Embarcadero. Other development like the baseball stadium, Mission Bay, MUNI right-of-way projects, Hyde Street Harbor have greatly enhanced the accessibility of large sections of the Port property.

On a different scale there have been a significant number of Port Maintenance Work Order projects or other capital improvement projects that have greatly benefited accessibility. Recent work at Hyde Street Harbor, Warm Water Cove, Agua Vista Park, Pier 50 parking facilities, Terry Francois Boulevard at China Basin Park and Pier 9 have mitigate issues that would otherwise be cited as a barrier removal issue. Other accessibility projects are planned for Jefferson street sidewalks, Pier 35 Cruise Terminal, South Beach Harbor facilities and Terry Francois sidewalks.

A considerable amount of accessibility was leveraged through major these development, capital and maintenance projects. The Self-Evaluation identified this pattern, and the future programs

should plan and capitalize upon it wherever possible. A higher quality of access can be achieved in this method than through conventional barrier removal programs.

Best practices are embedded into the Port's planning process. Astute decisions by the Port's waterfront planning department are creating one of the largest, accessible urban open space networks in the country. By addressing some modest issues, the Port can claim to be the one of the first public entities that complies with the US Access Board's newly adopted Recreation Access guidelines.

A second stratum of accomplishments has occurred in this period. Port staff is in the process of developing its own Port Building Code based on the San Francisco Building Code with amendments tailored to the unique marine and administrative conditions of the Port. The ADA Self Evaluation has had direct input into this process and provided the following products directly addressing accessibility for people with disabilities:

1. A prescriptive variance and exceptions request procedure for building permit applicants
2. Inclusion of the State Architect's Policy Statements and the City and County of San Francisco's Administrative Bulletins that address accessibility into one cohesive code amendment or Port Administrative Bulletin.
3. Draft guidelines for the placement and design of accessible passenger drop off areas and parking spaces on public-rights-of way that accompany a plan for addition of accessible parking on Port streets.
4. Draft of a min-building code for temporary events with temporary or portable structures.

These Port Administrative Bulletins and design policies provide valuable tools for tenants, architects and the Port architects and engineers in design of accessible facilities. The Port's building inspector will be able to use this tool to bridge the incomplete and gray areas of the current California Building Code accessibility requirements.

This is just one of the opportunities the Self Evaluation and Transition plan have provided to re-calibrates Port procedural guidelines. Others include Real Estate Department facility survey forms, engineering and Architecture Department policy manual, and proposed procedures for managing an accessible web site.

DETAILS:
Details on the Transition Plan are available for review from the Port's ADA Coordinator John Paul Scott (415-274-0571) johnpscott@sfport.com and located on the Port's Intranet Engineering Division site.

Prepared By
John Paul Scott
ADA Coordinator and Architect

For
Ed Byrne
Acting Chief Engineer harbor Engineer.

PORT OF SAN FRANCISCO

MEMORANDUM

April 21, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for Authorization to Change the Parking Meter Days of Operation from Monday through Sunday to Monday through Saturday in Residential Areas under the Port Commission Jurisdiction

DIRECTOR'S RECOMMENDATION: APPROVE ATTACHED RESOLUTION CHANGING THE PORT PARKING METER DAYS OF OPERATION IN RESIDENTIAL AREAS

BACKGROUND:

The Port Harbor Traffic Code, Article 10, Sec. 82 established that the denomination of the coin or coins that shall be deposited in the parking meters, the parking time allowed following deposit of such coins, and the hours during which such deposits are required, shall be fixed from time to time by resolution of the Commission for the area or areas in which parking meters are now or may hereafter be installed and shall be such as will best promote efficiency and safety in the use of the area under the control and jurisdiction of the Commission.

On April 15, 2003, the Board of Supervisors (Board) passed Ordinance No. 71-03 approving hourly parking meter rates across the City as shown in (1) Downtown, (2) Downtown Periphery, (3) All other areas, (4) Fisherman's Wharf.

On August 12, 2003, by Resolution No. 03-46, the Port Commission approved the increase of Port parking meter rates from $1.00 per hour to $2.00 per hour, 7:00 AM to 7:00 PM, Monday through Sunday, including Holidays, effective on September 1, 2003. This rate is comparable to the rates approved by the Board of Supervisors.

Since the implementation of the parking rate increase staff has received numerous phone complaints from residents and nonresidents. The complaint by residents is mostly about parking meter charges on Sundays. Staff therefore analyzed the revenue impact of non-meter charges on Sundays and concluded that the impact is minimal and that it is feasible to charge parking fees in residential areas only Monday through Saturday.

This Print Covers Calendar Item No. **6A**

The criteria for selecting those parking meters to be excluded from Sunday charges required that the meters be on that portion of the street within Port jurisdiction that were immediately adjacent to the residential developments. Staff identified the following areas as residential or mix-use areas to be excluded.

Embarcadero North:	**# of Meters**
1. Chestnut Street (North side) between the Embarcadero and Montgomery Street	17
2. Sansome Street (East side) between Lombard St. and Chestnut Street.	12
Embarcadero South:	
1. Townsend Street between the Embarcadero and Colin Kelly Jr. Street	0
2. Delancey Street between the Embarcadero and Brannan Street	0
3. Brannan Street between Delancey Street and the Embarcadero	163
4. Beale Street between the Embarcadero and Bryant Street	0
5. Bryant Street between Beale Street the Embarcadero.	0
Number of Meters Affected	**192**

Based on the staff survey, a total of 192 meters will be affected. Port staff estimates approximately $45,000 annually in lost revenues by not charging for parking on Sundays in the residential areas indicated in this report. In terms of costs, Ports staff estimates a one-time cost of nine hundred sixty dollars ($960.00) or five dollars ($5.00) per sticker to change the enforcement stickers. Port staff proposes changing the parking meter days of operation in the areas noted above from Monday through Sunday to Monday through Saturday.

RECOMMENDATION:

Port staff recommends that the Port Commission approve the resolution to charge parking meter fees in residential areas identified in this resolution to Monday through Saturday, excluding Sunday.

Prepared by: Chudi Chuba, Finance Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 04-37

WHEREAS, The Port Harbor Traffic Code provides, at Article 10, Sec. 82, that the Port Commission may, by resolution, fix the parking meter rates and hours of operation within the port area; and

WHEREAS, The Board of Supervisors passed Ordinance No. 71-03 on April 15, 2003, approving parking meter rates effective April 18, 2003; and

WHEREAS, On August 12, 2003, by Resolution No. 03-46, the Port Commission approved the increase of Port parking meter rates from $1.00 per hour to $2.00 per hour, 7:00 AM to 7:00 PM, Monday through Sunday, including Holidays, effective on September 1, 2003; and

WHEREAS, Residents in Port controlled areas desire the suspension of parking meter operation on Sundays; and

WHEREAS, Staff analyzed the revenue impact of excluding meter charges on Sundays and concluded that the impact is minimal and that it is feasible to charge parking meter fees in Port areas adjacent to residential areas only Monday through Saturday; now, therefore, be it

RESOLVED, That the Port Commission hereby approves exempting from parking meter fees on Sundays, effective May 1, 2004, metered spaces on streets listed below:

Embarcadero North:

1. Chestnut Street (North side) between the Embarcadero and Montgomery Street
2. Sansome Street (East side) between Lombard St. and Chestnut Street.

Embarcadero South:

1. Townsend Street between the Embarcadero and Colin Kelly Jr. Street
2. Delancey Street between the Embarcadero and Brannan Street
3. Brannan Street between Delancey Street and the Embarcadero
4. Beale Street between the Embarcadero and Bryant Street
5. Bryant Street between Beale Street the Embarcadero.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of April 27, 2004.

_____
Secretary

SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

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AGENDA

REGULAR MEETING
3:00 P.M., TUESDAY, MAY 11, 2004
PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

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1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - April 27, 2004 Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   - New Executive Director's Welcome Remarks
   - KFOG Kaboom Fireworks Display on the Waterfront
   - Hi-Dive Restaurant Grand Opening
   - Record Cruise Business for Port of San Francisco

05-07-04A10:48 RCVD

4. **CONSENT**

   A. Request for Consent to Use Portions of the Ferry Building Perimeter Easement and Access Easement for Temporary Farmer's Market Retail Kiosks and Carts pursuant to the Ferry Building Lease between the Port Commission and Ferry Building Investors, LLC. (Resolution No. 04-39)

5. **PLANNING & DEVELOPMENT**

   A. Request for authorization to issue a Request for Proposals for a Feasibility Study of Shoreside Power and Alternative Air Emission Technologies for Cruise Ships Berthed at the James R. Herman International Cruise Terminal at Piers 30-32. (Resolution No. 04-40)

6. **ADMINISTRATIVE SERVICES**

A. Request for approval of a Supplemental Appropriation to authorize expenditure of $1,160,000 in Unappropriated Operating Reserve Funds to pay one-half of a court judgment in F. Alioto Company, Inc. v City and County of San Francisco Case No. 318360 associated with the Wharf J-10 Lease. (Resolution No. 04-41)

7. **NEW BUSINESS/PUBLIC COMMENT**

- Architectural Foundation of San Francisco/Build San Francisco

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT/DISMISSAL/RESIGNATION – This is specifically authorized under California Government Code Section 54957.

- Consideration and Possible Action on Public Employee's Appointment/ Dismissal/Resignation – Deputy Director of Port (No. of Employees Affected 5).

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER (Discussion and/or Action Item)

a. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case):

- Patricia Ann Tanzer v. Pier 39, City and County of San Francisco, et al. San Francisco Superior Court Case No. 324020, filed October 25, 2001. (Discussion and/or Action Item)

Discussion of plaintiff's offer to compromise pursuant Code of Civil Procedure 998, for the sum of $90,000.

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Francisco Bay Office Park (Seawall Lots 315, 316 and 317)
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at SWL 315, 316 & 317.

b. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

c. Property: Pier 43
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Franciscan Restaurant: Kevin Westlye

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 43.

d. Property: Seawall Lot 349
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Delancey Street: Mimi Silbert

Under Negotiation: ___ Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Seawall Lot 349.

e. Property: Pier 92
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Specialty Crushing: Tom Chasm

Under Negotiation: _____ Price _____ Terms of Payment __X__ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 92.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

10. ADJOURNMENT

MAY 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
May 11	3:00 p.m.	Port Commission	Port Commission Room @ Ferry Building
May 25	3:00 p.m.	Port Commission	Port Commission Room @ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.*** Contact Amy Quesada at 274-0406.

The Brannan Street Wharf Citizens Advisory Committee meets on an as-needed basis to develop a concept plan for this planned open space in the South Beach area. Meetings are held in the Bayside Conference Room at Pier 1. Contact Dan Hodapp @ 274-0625 or dan_hodapp@sfport.com

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 1st Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

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APRIL 27, 2004
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY AND COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
APRIL 27, 2004

1. ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 3:05 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, and Sue Bierman. Commissioner Kimberly Brandon was not present.

2. APPROVAL OF MINUTES - April 13, 2004 Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; the minutes of the April 13, 2004 were adopted.

3. EXECUTIVE

4. MARITIME

A. Request for approval of a five-year Management Agreement between the Port and Metropolitan Stevedore Company for management of the passenger cruise terminal at Pier 35. (Resolution No. 04-38)

Mr. John Davey, Asst. Deputy Director of Maritime, requested Commission's approval of a five-year Terminal Management Agreement between the Port and Metropolitan Stevedore Company for management of the passenger cruise terminal at Pier 35 and other locations as needed. Metropolitan Stevedore Company (Metro) is the current marine terminal operator at the Port's cruise terminal at Pier 35. They are currently operating under the holdover provisions of a five-year operating agreement that expired in December of 2003.

San Francisco's passenger cruise business has grown in the past two years, making 2004 the busiest cruise year ever at San Francisco. This increase in business has created operational challenges that now affect multiple berth locations within the Port's jurisdiction, as more cruise ships are calling San Francisco simultaneously than in the past.

Additionally, cruise industry trends indicate that there is even more growth potential in the cruise market in the near term for San Francisco, creating a need for the Port to establish a primary operating partner that is willing to assume responsibility for passenger safety, provide cost effective and reliable service to the cruise lines, and maintain professional standards throughout the critical transition period leading up to the opening of San Francisco's new passenger facility at Piers 30/32.

This proposed five-year agreement will bridge the Port's cruise operational and stevedoring needs from now until the completion of the James R. Herman International Cruise Terminal at Pier 30/32. Port staff and Metro have negotiated a new management agreement that:

- solidly defines best management practices and standards for operating Pier 35 for maritime uses including incorporation of the recently formed CTEAC that is looking into the best management practices for the operation of cruise ships in San Francisco Bay;
- addresses operational and marketing issues such as scheduling vessel calls, internal and external signage, and the need for more passenger amenities;
- distributes and shares maintenance responsibilities for a facility that is in the process of a great deal of renovation and growth to address the new standards by the Marine Transportation Security Act of 2002;
- ensures compliance with security requirements mandated by the Transportation Security Administration; and
- provides for ongoing promoting and marketing the terminal to the cruise industry and to the local travel agents industry;
- requires Metro to abide by and cooperate with Port in the implementation of all Environmental Policies and Programs; and
- incorporates newly adopted City requirements, including the Health Care Accountability Ordinance and the Green Building Ordinance.

Moreover, this new agreement sets up a method whereby the Port will receive additional revenues should San Francisco handle more than ninety cruise ship calls in any calendar year, and provides an incentive for Metro to seek other sources of income, such as concessions, and share them with the Port.

The premises are for the operation of the cruise businesses at Pier 35 and it also allows for the Port to optionally expand their services to other piers for cruise ship operation. Next week, staff will be hosting Holland America and Coral Princess at Pier 30/32. Metro has put together an operational plan to handle those vessels in a form and fashion that will meet the lines' expectations. The term of the agreement is for 5 years. There is a language within the agreement that allows for an early termination of the agreement and when the cruise terminal operations at Pier 30/32 come on line.

Metro shall pay the Port a minimum operating fee of $12,500 per month; $150,00 a year. Thre will be an Operating Bonus Payment for each large passenger cruise vessel call in excess of ninety passenger vessel calls during any calendar year. The Bonus Payments will be:

- $2,500 for any ship where less than fifty percent of all registered passengers neither begin nor end their voyage at San Francisco.

- $4,000 for any ship where at least fifty percent of all registered passengers begin or end their voyage at San Francisco.

Metro will reimburse the Port for the actual cost of the services of uniformed San Francisco Police Department officer(s) patrolling within the cruise terminal as required by the appropriate U.S. Coast Guard approved Facility Security Plan. Metro will also reimburse the Port for the actual cost of services for one private security guard to be stationed at an ancillary parking lot, for the purposes of directing parking and monitoring the automobiles of employees, support staff, and designated guests affiliated with any vessel operation.

During the term of the Management Agreement, Metro is responsible to keep the Facility in a neat, clean, safe and orderly condition, excepting structural elements, painting, and dredging.

Metro shall maintain sufficient personnel, equipment, and contracted services in order to provide a level of customer service equal to or exceeding other West Coast passenger cruise terminals, and shall specifically undertake full responsibility for the following items:

- Providing pier janitorial services in advance, during, and after any ship operation
- Supplying sufficient security guard manpower for compliance with the appropriate Facility Security Plan (FSP) required by the Marine Transportation Security Act of 2002 (MTSA) guidelines, including any amendments or changes to the FSP during the term of this agreement
- On days when it is deemed necessary to handle commercial passenger cruise ships at locations other than Pier 35 and throughout the term of this agreement, Metro, the Port and the vessel owner or its agent will meet and agree upon the optimal amount of equipment, fixtures, and amenities required for properly servicing the vessel operation. Metro will arrange and pay for the installation of these amenities. The Port will reimburse the Metro for the costs of the following items:
- Shelter: Luggage laydown; passenger holding/reception areas, guest/travel agent holding areas; arrival and waiting areas; ticketing/check-in-in areas
- Fencing around the perimeter/apron/pier
- Lighting: external security and emergency lighting, as required by the Facility Security Plan
- Fixtures/Amenities: Pier fendering; stringer/apron; restrooms; pay phones
- Signage: Promotional signage
- The proposed Management Agreement provides that the Port will reimburse Metro for the above-referenced amenities in the form of a credit against the next succeeding Use Fee payment due after Metro's submittal of paid invoices.

Either party may terminate the Management Agreement with 180 days prior written notice without penalty if the Port's primary site of cruise ships operations is moved from the Facility to another site.

Port staff believes that this proposed terminal operating agreement provides the Port a financial and operational basis for which to manage the current explosive growth in our cruise market until such time that the terminal is constructed, and recommends approval of the management agreement with Metropolitan Stevedore Company for Pier 35.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-38 was adopted.

5. ENGINEERING & MAINTENANCE

A. Request for authorization to advertise for competitive bids for Amador Street Improvements, Contract No. 2693. (Resolution No. 04-34)

Project Manager Kathy Nazakawa requested Commission's authorization to advertise for competitive bids to construct a paved, temporary access road that connects Amador Street on Piers 90-92 with Piers 94-96. Amador Street is a Port street that runs west-east along Piers 90-92 and currently dead-ends at Pier 92. The street is utilized primarily by the Port's industrial tenants to access Cargo Way and Third Street. The Port's industrial tenants' operations consist mostly of handling or processing construction-related industrial materials (e.g., concrete, concrete reclamation, aggregate, sand, etc.) that require operation of equipment and trucks on unpaved roadways between and through the current Amador Street terminus and Piers 94-96 and the Pier 90–94 Backlands area. This region is part of the "Backlands," located between Piers 90-94. Most of the Backlands area is unpaved and is prone to cause dust when tenant vehicles travel through the area. Each Port tenant operating a construction material related operation in the area is required to implement and comply with dust mitigation measures identified in the Southern Waterfront Supplemental Environmental Impact Report (SEIR, 2001). Port staff conducted field inspections in early 2003 to confirm that tenants were complying with these mitigation measures, to evaluate the effectiveness of these mitigation measures in controlling dust, and to recommend potential corrective actions to improve the control measures. Port staff observed that significant additional benefits would result from the paving of existing unpaved roadways, reducing the potential for further dispersion of dust into the air from truck tires. Construction of the roadway will also provide additional benefit of a direct connection between the Port's Pier 90 –92 area, which is the location of one existing and two additional future concrete batch plants, with the Piers 94 –96 area, which is the location of the aggregate material supplier for each of the concrete batch plants. The basis of the design is in collaboration between the Port and the Department of Public Works. They have taken into account future planning of the area. This is an interim roadway; however, the alignment that has been selected is designed in such a way to allow for future development of a full roadway as well as take into account some of the leaseholds that are being negotiated or have been negotiated recently. Staff is requesting for advertising of an interim roadway. This is not a final solution nor is it to be considered as a design that will result in accepted street according to City standards. However, construction of the temporary access road will achieve the following benefits:

- Immediate benefits to the community from reduced dust and vehicle emissions and traffic congestion;
- Immediate benefits to Port tenants from a direct travel connection between the Piers 90-92 to 94-96; and
- A near-term solution that can be implemented now without impacting further planning of the Backlands area.

The engineer's estimate for the proposed work is $410,000. The project cost will be funded from Port capital funds for fiscal year 2003-2004.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-34 was adopted.

B. Request for approval of contract modification to Contract No. 2690, "Pier 45 Shed C Development Phase I," for an amount not-to-exceed $30,000. (Resolution No. 04-35)

Project Manager Mojgan Yousefkhan requested Commission's authorization to execute a contract modification to include additional work into the existing construction contract with Pioneer Contractors, Inc. for a cost not to exceed $30,000. On January 13, 2004, the San Francisco Port Commission authorized award of Contract No. 2690, "Pier 45 Shed C Development Phase I," to the lowest responsive responsible bidder, Pioneer Contractors, Inc. for a total contract amount of $1,146,695, inclusive of a 10% contingency. The scope of this project includes replacement of the roof, installation of a fire alarm system, and installation of a video surveillance system. The Port issued a Notice to Proceed to Pioneer Contractors, Inc. on January 30, 2004. The work is currently underway and expected to be completed by May 17, 2004. The scope of this contract modification is to make additional unforeseen roof repairs beyond what has been initially anticipated. These repairs are required to complete roof replacement work under this project, and to comply with the requirements of the California Technology Trade and Commerce Agency, which has funded this project. The contract modification will accomplish these objectives through the following:

1. Replacement of 8000 sq. ft. of roof deck damaged by dry rot.
2. Replacement of all the wood crickets, which are severely damaged by dry rot.
3. Replacement of 110 broken clearstory windows.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-35 was adopted.

C. Request for adoption of the Port's proposed 2004 Self-Evaluation and Transition Plan. (Resolution No. 04-36)

ADA Coordinator and Architect John Paul Scott, indicated that the purpose of this meeting is to request the approval of the process and resolution to create a 2004 ADA Self-Evaluation and Transition Plan. Under the Americans with Disabilities Act (ADA), the Port is a Title II Entity, State and Local Government Entity and the primary purpose of the Act is to make sure that the program, services and accommodations we provide are accessible and readily usable by people with disabilities. The Port did its initial work on self-evaluation and transition plan in 1992. It focused on the Ferry Building where the Port offices were located. The plan was revised in 1997. In 2001, a Citywide reassessment of all the transition plans under the City & County of San Francisco was done and a much broader transition plan was put together but the self evaluation was not properly completed. At the request of Alex Lee and former Chief Harbor Engineer Nita Mizushima, he was requested to put together a new self-evaluation of the Port and bring

its compliance programs up to date and create this program, which was a 6-month process. He researched the Port's past efforts and its accomplishments and conducted staff interviews. He walked every single facility in the 7.5 mile waterfront. They did staff presentations, information updates, and education to the staff as part of the process and created advisory teams and planned this project as if it were a construction project. Part of the ADA requires that we include people who have interest in this program including people with disabilities or organizations that represent people with disabilities. They met with the Mayor's office of Disability and sought their advice. They also met with the Mayor's Disability Committee, made presentation and public invitation for participation into the process. As part of this project, they engaged the firm of Magar & Milstein to act as a peer review and disability advocate for the whole process and to give an oversight of the project. With their assistance, they developed a Disability Access Committee (DAC). Once the research and surveys were done, they met with the community to find out their priorities and to see if the Port is doing the right thing, have its fingers on the pulse of the issues and if the Port is heading in the right direction.

There are two key parts in this plan. The first part of the plan is the principles and objectives which was the most important contribution of the DAC. Although the Port has been in compliance with the basic obligations of Title II, there were recommendations that the Port really stepped up to the plate and be a leader and a mentor to its tenants on their obligations and to the entities that take temporary permits from the Port. They helped them and find ways to educate them about not only their responsibilities for physical accessibility but for their responsibilities for providing true access to their goods and services. The second part of the plan is the actual project list. It's a comprehensive list where they looked for things that were not just barriers but also where they could do things that would improve overall accessibility and safety and sometimes cross over into the maintenance area. In this list, they prioritized what was more important; who had responsibility for it because in some cases, there were MOUs where it may be Muni's or Redevelopment Agency's responsibility. If they found things that involve tenants, they directly address those to the tenants. They also have programs with Pier 39, Blue & Gold, Red & White. The other key element of the plan is a Port Building Code. The code is the Port's measure of compliance. It's a way for the Port to judge a tenant's compliance measure under State Law and under the ADA for physical accessibility when applying for a building permit. The Port uses this document for complaint and grievances. There is a grievance policy through the Mayor's Office of Disability where it addresses goods and services and programs. This is the measure to resolve a complaint that has to do with physical accessibility. The second key element of this plan is staff education on the ADA. They would like this plan embedded inside the Port and its staff. It shouldn't be run by one person; it should be something that everybody is a partner to. This plan includes education for the actual service providers who provide things directly to the public, to the design people (Engineering and Planning), to the real estate group so they can give advance notice to tenants about their obligations, to building department groups for their permits and plan checks in their site inspections as well as Port maintenance. They are important players. A lot of maintenance of accessible facilities can be leveraged through them and some of the things that are in the transition plan list.

He noted that ADA covers approximately 54 million in the country; only a small percentage is wheel chair users. It's very easy for the Port to figure out and know its measure of compliance by looking at a facility. In the Commission agenda, there is a notice about the accessibility of this facility and this hearing room and if a person needs a reasonable accommodation for effective communication. He showed the Commission some of the means of effective communication used in the process which will be provided to the public, upon request, at Commission meetings: (1) a large print document so that a person with vision impairment would be able to read the document without using a microscope; (2) use of Braille; (3) CART captioning (real time captioning); (4) sign language interpretation and (5) electronic communication. The plan is to look at not only taking care of the physical things but to take care of the delivery of goods and services to the tenants and the general public. The plan is meant to be dynamic, it can be changed and reprioritized. There will be a lot of changes in the upcoming buildings codes and federal regulations. Staff is trying to anticipate that change effectively as a risk management measure for the Port, which will be done through training. It's realistically manageable, it's based on available staffing, budget constraints and how much work can be actually performed at any one time. The plan will be reviewed yearly so we can gauge its performance and stay on top of the plan. It's embedded into the organization. Every staff person in the Port would be relied upon to be a partner on the plan. Staff resources will be leveraged, where possible, to do the work rather than pay outside consultants, do the design work in house and if necessary, leverage to Port Maintenance to do the construction or repair work. The plan tries to permit the management of the Port whatever types necessary to achieve the end codes, whether it be an actual transition plan project, a planned Maintenance project, a capital project, a development agreement etc. They used every means possible to achieve this..

Bonnie Milstein of Magar & Milstein indicated that it was a pleasure to work with Port staff and J.P. Scott in particular on this very important self-evaluation and transition plan for the Port. She noticed in the agenda that there were quite a few meetings with lawyers in closed session. This is relevant to the self-evaluation and transition plan because one of the most important facts that the Commission would want to be assured of is that the Port is operating in full compliance with this very important federal law. She has been working on disabilities rights issues since 1976. She has never worked with a representative of a government agency who is as knowledgeable and creative and as responsible and professional as John Scott has been. She congratulated the Port for hiring John Scott as its ADA coordinator. Without an effective and a real public participation process, the Port's self-evaluation and transition plan would be open to litigation. In September, they contacted the Mayor's Disability Council, the Mayor's Office on Disability and all of the disability organizations in the City. She acknowledged some of the representatives from the Disability Access Committee: Rose Resnick Lighthouse of the Blind, The ARC, Bay Area Hearing Society, SF Mental Health Association, the Independent Living Resource Center of S.F., The Deaf Counseling Advocacy and Referral Agency. They were successful in broadcasting their desire to have as many public participants from the disability community as possible and they were also successful in getting Bonnie Lewkowicz, who writes access publications for communities across the country and is the author of Access California. This is very important to the Port as Fisherman's Wharf is the most visited tourist site in the United

States. It's critically important not just for San Francisco but for its standing in the world community that its port property be fully accessible to people with disabilities. The community also included representatives from the Red & White Fleet, Hornblower, Putnam Waterfront Partners, AKEPS, Inc. Waterfront Productions as well as Port staff. Their meetings included representatives from the Port, lessees, and from the disability community. They had four formal meetings. Their first meeting was held on November 17 where John explained what the Port was about and what it did and created one of his many maps of the Port indicating on the map all the places they would visit and all the barriers of many of the places they were going to visit along the 7.5 miles of Port property. They assembled the DAC members to the only open accessible tram in S.F. and rode from the Ferry Building to the southern waterfront to Fisherman's Wharf. At each point where either access modifications had been created through former transition plans or where Mr. Scott identified and explained new access barriers that he has been able to correct or new access barriers that were in the process of being corrected or new access barriers that had not yet been addressed. The second meeting was a month later on December 17 where they reviewed what they learned at the first meeting and discussed public open space. The third meeting was held on January 20 where they discussed public rights of way. The fourth meeting was a discussion of the Port's responsibility with regards to its tenants and lessees and review of public rights of way issues including accessible parking along Port property.

There are several very important outcomes from this self evaluation and transition plan process that are atypical of these processes when they are conducted by public entities. Mr. Scott has been able to take advantage all through this process of ongoing activities by non-Port entities. For example, where there were access problems that could have been created by the Third Street Rights of Way and construction that Muni and other City agencies are involved in, Mr. Scott was able to meet with them and have them agree to make changes in their construction plan such that there was access created between Port property and the Third Street development. Whenever any agency had ongoing property development or construction, they study and identify ways for the Port to achieve accessibility not necessarily at the Port's cost. The public participation process was exemplary and not just the identification of barriers was thorough but identification of the reason for the barriers. Often lessees such as restaurateurs along Port property or ferry carriers wold receive complaints from riders on the ferryboats or from people who are trying to get to their restaurants and not have a good understanding of what their responsibilities were with regard to accessibility as opposed to the Port's or the City's or the visitor's responsibility. Mr. Scott had already begun training sessions with Port staff as well as various lessees. They are going to turn that into a model training program. The real estate management staff at the Port is not only supportive but also enthusiastic because the Port will be saved from litigation and complaints. The Port will appear as one of the most open and accessible areas in the entire country partly because Mr. Scott has, for the last several years, worked with the California Architects Office and with the Access Board in Washington, D.C. He was able to incorporate brand new standards for recreation facilities into their discussions. They adopted the proposal that the Port immediately follow all of the new access standards that are coming out of Washington and Sacramento. The Port will be the first port in the country to have its own building code that will incorporate ADA

Accessibility standards. For these reasons, the Commission should be proud of the work that its ADA Coordinator and its DAC has accomplished.

Mr. Scott requested the Commission to adopt the resolution and upon adoption, the plan will be posted on the Port's website. Staff will start a project immediately to make the Port's website accessible, one of the first in the City & County of San Francisco. This plan would be available through him or at every director's desk at the Port and the receptionist's desk for the public to view. They consider this a dynamic plan, one that can change. If a new barrier is identified, it will be placed on the list.

Commissioner Bierman congratulated Mr. Scott for working with the people who have great interest in this program and for being helpful in the process.

Michael Kwok, immediate former co-chairman of the Mayor's Disability Council, indicated that Mayor Newsom and his colleagues are in support this program. They spent many long hours on this project. There were sometimes arguments to make sure they understand because this is a very complicated, complex plan and the area is very large. The visit to sites helped them understand. He thanked John Scott for his very creative, responsive way. He always responded to their phone calls. He and the consultant met with them to discuss specific areas. He also thanked his colleague, Denise Senhaux. Mrs. Senhaux is very good in detail but with the balance from the consultant, they made a good team and helped them understand. He would not dare say that this is a perfect plan but it's a big step forward, and will provide a state-of the art website for the City. As Mr. Scott mentioned earlier, whatever he will pick up in the future, it will be incorporated in the plan.

Jul Lynn Parsons, Mayor's Disability Council, indicated that she had the pleasure of sitting in on several meetings and working with such a great team. The Commission should be very proud of having someone at the helm of this ship, which will see forth access measures for all citizens in San Francisco and all people who come to visit this beautiful place. It's a great start and it's a wonderful, living document, dynamically composed. She asked the Commission to support the plan.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-36 was adopted.

6. ADMINISTRATIVE SERVICES

A. Request for approval of Harbor Code amendment to change the parking meter days of operation to Monday-Saturday in residential areas under the Port Commission jurisdiction. (Resolution No. 04-37)

Finance Manager Chudi Chuba requested the Commission's approval to exempt parking meter fees on Sundays effective May 1, 2004 on metered spaces listed on the staff report. On August 12, 2003, by Resolution No. 03-46, the Port Commission approved the increase of Port parking meter rates from $1.00 per hour to $2.00 per hour, 7:00 AM

to 7:00 PM, Monday through Sunday, including Holidays, effective on September 1, 2003. This rate is comparable to the rates approved by the Board of Supervisors.

Since the implementation of the parking rate increase, staff has received numerous phone complaints from residents and nonresidents. The complaint by residents is mostly about parking meter charges on Sundays. Staff therefore analyzed the revenue impact of non-meter charges on Sundays and concluded that the impact is minimal and that it is feasible to charge parking fees in residential areas only on Monday through Saturday. Based on the staff survey, a total of 192 meters will be affected. Port staff estimates approximately $45,000 annually in lost revenues by not charging for parking on Sundays in the residential areas indicated in this report. In terms of costs, Ports staff estimates a one-time cost of nine hundred sixty dollars ($960.00) or five dollars ($5.00) per sticker to change the enforcement stickers.

Mr. Chuba requested Commission's approval of the resolution to charge parking meter fees in residential areas identified in the resolution to Monday through Saturday, excluding Sunday.

Commissioner Bierman indicated that it is a good idea to be consistent Citywide.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-37 was adopted.

7. NEW BUSINESS/PUBLIC COMMENT

Ernestine Weiss, Golden Gateway Commons, demanded that the Commission do something with the concrete benches at Pier 7. They have been a constant nuisance for many years. She has been successful in getting the Art Commission to remove their concrete rocks; why can't the Port do it. There's no reason why the Port can't put metal bars around it. The Waterfront Restaurant has been affected. They have lost customers from her apartment because of the noise produced by the skateboarders. To call the police has cost a fortune. It's costing the City a lot of money. She wanted to know when the benches will be removed. General Counsel Noreen Ambrose replied that the item is not on the agenda so the Commission cannot engage in discussion about the subject. She can, however, speak to the Commission individually but they cannot comment on it at this time.

Ruth Gravanis, Alliance for a Clean Waterfront, spoke about the Pier 94/96 Backlands area in the southern waterfront. There are three exciting projects pending in that area. The restoration of the tidal salt marsh at the end of Amador Street just north of the Pier 94 container that was placed there to be an expansion of the container terminal facility but it was inundated by water and through benign neglect, wetland plants established themselves a great diversity of plant habitat, which was quickly followed by a great diversity of wildlife habitat. It's a special natural resource for people all over the City and for that community to enjoy. The wetland needs some modification to improve the hydrology and the water circulation and some of the major debris that volunteers cannot pull out. The Port contracted some time ago with Tetra Tech, the company that has developed a great plan for that area, which is finished and ready to go. Port staff has also obtained funding through the Natural

Resources Trust to enable the implementation of that plan. The plan has been endorsed by SWAC and many residents in the area. Another project is in the uplands that are adjoining the tidal wetland, habitat creation in the buffer zone which also has funding in place but it cannot proceed until the wetland project has been carried out. The third project is the innovative stormwater management plan that has been proposed for the Port backlands in the area not just for Pier 94/96 but Pier 70/80 as well. It's very important to move this project along. The Port property is one of the few areas of the City where there is no combined sewage/stormwater system which gives the Port a great opportunity to manage its stormwater in innovative ways. The constructed wetlands, detention ponds, and vegetated swells can be used to transport and treat the pollutants that are in the stormwater runoff. It can be done in a way that also provides habitat for wildlife, recreational opportunities for people, and environmental education opportunities. She hopes that the Port will do it can to make sure that these innovative stormwater projects move along. Other projects that she just mentioned as well as the best management practices that are now being implemented by some of the industrial users of the area collectively have been nominated for an award by San Francisco Beautiful. This is an exciting opportunity for the Port to shine and for them to create a model for a sustainable development that combines maritime activity and wildlife habitat and human enjoyment into one comprehensive project. She shared a few photographs with the Commission: the first is Audobon Society volunteers removing tires and other debris from the wetlands. They pulled out piles of tires from the 5-acre wetland. Another photo shows an egret foraging against the container cranes and the third is a ship docked at Pier 94 with wildlife on the foreground.

Commissioner Bierman asked staff to give the Commission an update regarding the status of the Pier 94/96 and the backlands area. Mr. Wong replied that this item will be placed on the agenda at a future date.

Arthur Feinstein, Director of Conservation for the Golden Gate Audobon Society, urged the Port to start implementing the wonderful opportunity that Ms. Gravanis spoke about. The plans are all done, all paid for, and the permitting is all done. The CEQA documentation has already been done. The Port has the money in the bank or at least promised to do the actual restoration itself from the Trust to actually do the work. It's their understanding that the problem is just getting somebody to do the contract work, to have somebody come out and do the earthmoving and the project is done. The Port has great success in restoring habitat, improving water quality and it's all paid for by public funding. This is going to be a great asset to the City. San Francisco Beautiful has nominated the Port for an award of this project. Ms. Gravanis talked about the third project which is the Audobon's project to restore habitat and plants on the buffer zone in the transition uplands next to the wetlands that will be restored. They have a grant from the Regional Water Quality Control Board to do that project but they can't do that until the Port is done on the wetland restoration. The grant runs out in November. This has been a long process. The Port has been wonderful in working to identify the needs and doing the planning and getting the money. It would be a shame for it to die at the last moment. Hanson Aggregates was enthusiastic about their project and they provided all kinds of help to them as has Norcal. They have huge numbers of partners helping out. The money ends in November. He is excited that this item will be brought to the Commission at a future meeting. They are excited about this project as this will become a beautiful asset to the City.

Branton Burke, Amtrak Customer, indicated that Amtrak has been closed for the last five months. It flooded in December and it seems that the Port does not want Amtrak at the Port anymore or at 101 Embarcadero. He referred the Commission to a Chronicle Watch that he called in regarding Amtrak's being closed. In the last 24 months, Amtrak has been closed 9 months due to delays or maintenance or flooding. He asked that this item be put on the agenda and explain why the Port has taken so long to get something fixed that should be basically simple. Amtrak is not paying rent while it is closed. Amtrak was also told (they were formerly located at the end of the Ferry Building) that they could not move back in because it did not fit the flow of passenger traffic at the Ferry Building. Neil Sekhri from the City Attorney's office informed him that they were going to do a walk-thru yesterday and put it out for bid. He'd like to know why it's taken 5-6 months to open Amtrak. He was told it was going to be open in April, but was changed to May now it will be open July 1st. That means that he has to, if he has to check his luggage, go to Emeryville and pray that his luggage makes it on the same bus that he gets on. He's already had his luggage lost three times because it never made it to Emeryville on time. He read a request from Tyron Blant, Director of Governmental Affairs for the West Coast, asking if the Port would be willing to renegotiate or redo their lease or if not to let him know so he can make plans to move someplace else. Carol Anderson informed him that the Port was not aware that it flooded. Mr. Dempsey informed him of such in February when he discussed this with him. They were aware but Amtrak was not made aware that the location at 101 Embarcadero would take $4.8 million to fix the location.

Bob Bennett, Conservation Chair of Golden Gate Audobon Society, indicated that he has been very involved in the Pier 94 backlands project, specifically as a volunteer, which has been very gratifying. The 200 different volunteers worked very closely with the Bayview Hunter's Point area. They have pulled out 300 tires in one day and they have taken truckloads of non-native species of vegetation out, they've taken out garbage, which they have recycled and turned into compost. They worked very closely with the industrial neighbors in the area. Part of the disappointment is that they all thought that the momentum was going forward. All indications were that this project would be done last year. It had to be delayed and then it was to be started this spring at the end of the wet season. They would like to see this project back on track and be able to continue their participation.

Commissioner Bierman handed the Executive Director the letters regarding the Pier 94 backlands area and Amtrak and asked for a status report at the next meeting or at an appropriate time.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

At 4:15 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (4 cases):

- In re Pacific Gas and Electric Company, Debtor, United States Bankruptcy Court, Northern District of California, San Francisco; Case No. 01-30923.

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.

- Approval of Consent Order in the matter of State of California Department of Toxic Substances Control, Port of San Francisco Respondent, Docket No. 2003-0108.

- Claim of Joyce A. Moyer, San Francisco Claim No. 04-00303, filed July 31, 2003. (Discussion and Action Item)
  Moyer Claim: Proposed settlement of government tort claim seeking damages for personal injuries allegedly sustained on the Embarcadero near Fisherman's Wharf, on May 27, 2003. Proposed settlement for $39,032 in exchange for claimant's full release and dismissal of all claims. A copy of the proposed settlement agreement is available for inspection, by request to the Executive Secretary for the Port, pursuant to San Francisco Administrative Code Section 67.12(b)(3).

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 35
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Metropolitan Stevedore Company: Jim Callahan

b. Property: Pier 43
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Franciscan Restaurant: Kevin Westlye

c. Property: Pier 9
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Think Twice: John Whitney

d. Property: Pier 92
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Specialty Crushing: Tom Chasm

e. Property: Seawall Lot 349
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Sims Group USA: Jimmie Buckland

f. Property: Seawall Lot 356
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Affordable Self Storage: Christo Kasaris

g. Property: Pier 45, Shed A
Person Negotiating: Port: Ken Winters, Director of Real Estate
*USS Pampanito: Elizabeth Kibbe

h. Property: Pier 45
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Red & White Fleet: Tom Escher

i. Property: Pier 33
Person Negotiating: Port: Ken Winters, Director of Real Estate
Seafood Suppliers: Bill Dawson

j. Property: Pier 15
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Electric Transit Inc.: Stan Brady

k. Property: Ferry Building
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Ferry Building Investors: Chris Meany

9. RECONVENE IN OPEN SESSION

At 5:28 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in open session; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to approve the settlement of claim of Joyce A. Moyer; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to disclose that the Commission in Executive Session approved the Consent Order in the matter of State of California

Department of Toxic Substances Control, Port of San Francisco Respondent, Docket No. 2003-0108. Commissioner Bierman seconded the motion. Commissioner Hardeman moved approval to not disclose any other information discussed in executive session; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

10. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 5:30 p.m.

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